COMPARE MINNESOTA

An Economic & Statistical Fact Book 1988/1989

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Minnesota Department of
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900 American Center Building
150 East Kellogg Boulevard
St. Paul, Minnesota 55101

612/ 296-8341
Fax: 612/ 296-1290

FOREWORD

"CompareMinnesota.....An Economic & Statistical Fact Book" is published every other year. The 1988/1989 CompareMinnesota is a joint effort of the Policy Analysis Division of the Minnesota Department of Trade and Economic Development and the Demographer's Office of the State Planning Agency.

The purpose of this publication is to provide individuals and businesses with comprehensive data relating to the state of Minnesota. More specifically, it provides selected information that is important to businesses making location decisions. The data is presented in a variety of ways, i.e., depicting Minnesota oftentimes with comparisons made with the United States, the Midwest region and/or the remaining 49 states.

CompareMinnesota includes information on the population of Minnesota and the Minnesota Metropolitan Statistical Area (MSA), trends in population, income and employment, industry mix and basic industries, state revenue and expenditure accounts, labor force, education, transportation system, natural and capital resources, construction and real estate, quality of life, and international trade and foreign investment. This publication provides a statistical profile of all aspects of the state of Minnesota.

CompareMinnesota contains the most recent information available at the time of publication. In most cases, figures are from the last few years, with the exception of those drawn from special censuses. The U.S. Bureau of the Census definitions of regions and other technical terms are used throughout the publication. The original information source is cited by each table along with select definitions and methodology clarifications.

The Minnesota Department of Trade and Economic Development welcomes comments and inquiries from those using this publication. It is helpful to know what additional data readers would like to see included in this document to improve its effectiveness as a resource publication.

Various state agencies provided valuable services in collecting and organizing data. These agencies cooperated with this department by providing data unique to their operations.

Finally, staff members who participated in this publication include the following:

Principal Author: Pete V. Sibal

Members of the 1988/1989 CompareMinnesota Review Committee:

Lee Munnich, Jr.	Dan Quillin
Abby McKenzie	Harry Rosefelt
Christine Dewitt	Terrell Towers
Martha McMurry	Kathy Novak

Desktop Publishing: Mary Andersen
Jerry Steinworth

Proofreading: Debbie Harrell

Editing: Sandy Durand

Layout and Design: Visual Image Studio

Production: Virginia Padden

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Table of Contents - COMPARE MINNESOTA

1 DEMOGRAPHICS PAGE

1.1 Population, Households and Annual Percent Change, 1970 to 2000 1
1.2 Metropolitan Statistical Area and Non-Metro Area Population and Households Estimates for Minnesota, 1980 and 1986 2
1.3 Minnesota Population by Township and City Class Size, 1980 and 1986 3
1.4 Net Migration Rate, 1980 to 1985 4
1.5 Birth Rates and Fertility Rates, 1985 5
1.6 Percent Distribution of Minnesota Population by Age, 1986 6
1.7 Percent Distribution of Households by Type, 1980 7
1.8 Percent Distribution of Households by Income Group, 1986 8

2 INCOME

2.1 Minnesota Gross State Product (GSP) by Industry, 1985 9
2.2 Total Earnings by Major Industry Groups, Fourth Quarter 1987 10
2.3 Total Personal Income by Major Source, Fourth Quarter 1987 11
2.4 Annual Percent Change in Per Capita Personal Income, 1980 to 1986 12
2.5 Per Capita Personal Income, 1986 13
2.6 Real Per Capita Personal Income (1985 dollars), 1970 to 1986 14
2.7 Per Capita Disposable Personal Income, 1986 15
2.8 Median Household Disposable Income and Average Household Disposable Income, 1986 16
2.9 Population Below the Poverty Level and Poverty Rate, 1986 17
2.10 Farm Income as Percentage of Personal Income, 1986 18

3 INDUSTRY MIX

3.1 Number of Minnesota Business Establishments by Industry Group, 1977 to 1986 19
3.2 Percent Change in Employment by Industry Group, 1977 to 1986 20
3.3 Distribution of Minnesota Employment by Size of Establishment First Quarter 1977 and 1986 21
3.4 Employment by Manufacturing Industry, 1977 to 1986 22
3.5 Patterns of Job Change and Contribution to Net Change by Firm Size, 1978 to 1986 23
3.6 Key Industries in Minnesota Based on Employment Level 24
3.7 Total Earnings and Percent Distribution by Industry Group, 1977 and 1987 25
3.8 Percent Distribution of Minnesota Businesses by Gross Sales, 1986 26
3.9 Per Capita Gross Sales by Major Industry Group, 1986 27
3.10 Business Failures Per 10,000 Establishments, 1977 to 1987 28
3.11 Number of Large Corporate Headquarters Per Million Residents, 1986 29
3.12 Minnesota Firms Among the Nation's Top 500, 1987 30

4 BASIC INDUSTRIES

4.1 Manufacturer's Value Added by Industry, 1985 31
4.2 Production Workers as a Percent of Manufacturing Employment, 1986 32
4.3 Percent Change in High Technology Employment by Industry, 1982 to 1985 33
4.4 Minnesota High Tech Employment, 1980 to 1985 34
4.5 Top 15 Minnesota-Based High Tech 100, 1986 35
4.6 Distribution of Minnesota Cash Receipts from Farm Marketing, 1985 36
4.7 Agricultural Foreign Exports as a Percent of Total Farm Cash Receipts, 1986 37
4.8 Farm Real Estate: Average Value Per Acre of Land and Buildings, 1970 to 1986 38
4.9 Value Added in The Manufacture of Agricultural Products – Minnesota as a Percent of the United States by Industry, 1984 39
4.10 Minnesota Iron Ore Production as a Percent Of U.S. and World, 1981 to 1986 40
4.11 Per Capita Tourism Expenditures for All Trips, 1984 41

5 GOVERNMENT PAGE

5.1 Minnesota State and Local Tax Collections Per $1,000 of Personal Income, 1981 to 1986 43
5.2 Summary of Minnesota Tax Reform, 1987 44
5.3 Percentage of Income Used for Payment of Major Taxes by Income Level for a Family of Four, 1986 45
5.4 Average Effective Tax Rates for Corporation Income in Minnesota by Major Industry Group, 1986 46
5.5 Percentage of Gross Sales and Total Tax Liability on Minnesota Sales and Use Tax Returns by Major Industry, 1986 47
5.6 Average Effective Property Tax Rate, 1985 48
5.7 Minnesota State and Local Tax Revenue Per $100 of Personal Income, Fiscal Year 1986 49
5.8 State and Local Government General Revenue Per $1,000 Income by Source, 1984 - 1985 50
5.9 Maximum Weekly Payment under Worker's Compensation, 1988 51
5.10 Comparison of Worker's Compensation Rate Per $100 of Payroll, 1987 52
5.11 Unemployment Insurance Indicators, 1985 53
5.12 Average Unemployment Insurance Taxes Employers Pay Per Worker, 1987 54
5.13 State and Local Government General Expenditures for Major Financial Sectors by Function, 1984 - 1985 55
5.14 Full-Time Equivalent Employment of State and Local Government Per 10,000 Population, 1985 56

6 LABOR

6.1 Labor Force Participation Rate and Percent Distribution of the Labor Force by Age, Race and Sex, 1986 57
6.2 Annual Average Unemployment Rates, 1980 to 1987 58
6.3 Unemployment Rates by Major Industry Group, 1986 59
6.4 Percent Distribution of Labor Force by Occupation, 1986 60
6.5 Unemployment Rates by Occupation, 1986 61
6.6 Percent Distribution of Unemployed Persons by Duration of Unemployment, 1986 62
6.7 Annual Average Wages Per Employee by Industry, 1986 63
6.8 Average Hourly Earnings of Production Workers in the Manufacturing Industry by Two-Digit SIC Code, 1986 64
6.9 Value Added Per Dollar of Payroll in Manufacturing Industries, 1985 65
6.10 Indicators of Union Membership 66
6.11 Health Care Cost Factors 67

7 EDUCATION

7.1 High School Graduation Rates, 1986 69
7.2 ACT College Entrance Exam Average Scores, 1987 70
7.3 Percentage of Population over Age 25 with Various Educational Levels, 1984 71
7.4 Pupil/Teacher Ratio, 1987 72
7.5 Students/Computer Ratio in Public Elementary and Secondary Schools, 1986 73
7.6 Average Salary of Public School Teachers, 1986 74
7.7 Per Capita State Expenditures on Education, 1986 75
7.8 State Expenditures for Public Elementary and Secondary Schools Per Pupil, 1985 to 1986 76
7.9 Most Common Programs offered at Minnesota Vocational-Technical Institutes with Number of Schools Involved, 1985-1986 77
7.10 Number of Scientists and Engineers Employed Per 10,000 Residents, 1984 78
7.11 Patents Issued in State Per Million Residents, 1986 79
7.12 Industry Research and Development Expenditures Per Capita, 1985 80
7.13 Total Research and Development Expenditures as Percent of State Personal Income, 1982 81

8 NATURAL AND CAPITAL RESOURCES PAGE

8.1 Land Cover/Use of Non-Federal Land by Type, 1982 83
8.2 Percentage of Renewable Water Supply Available by Resource Region, 1983 84
8.3 Average Electricity Prices for Commercial/Industrial Users, 1986 85
8.4 Average Natural Gas Prices by Class of Service, 1986 86
8.5 Percentage Distribution of Total Energy Consumption by Major Source, 1986 87
8.6 Domestic Deposits Per Capita by Type of Financial Institution, 1985 88
8.7 Size of Venture Capital Funds Per Capita, 1984 89
8.8 Major Sources of Business Financing in Minnesota, 1987 90
8.9 Business Incentive Programs Available in Minnesota and Total Number of Other States with Similar Programs, 1987 91

9 TRANSPORTATION

9.1 Distance, Travel Time and Number of Flights to Major U.S. Cities from Twin Cities, 1986 93
9.2 Large Air Traffic Hubs, 1985 94
9.3 Average Round-Trip Commuting Time in 30 Largest Metro Areas, 1980 95
9.4 Per Capita State Expenditures on Highways and Public Transportation, 1986 96
9.5 Per Capita State Expenditures on Air Transportation, Water Transport and Transit Subsidies, 1986 97
9.6 Interstate Pavement Condition, Percent Miles with Present Serviceability Rating of Less Than 2.5, 1986 98
9.7 80,000 Pound Truck Highway System, 1987 99
9.8 Tonnages Handled at Minnesota Ports, 1986 100
9.9 Major Rail System Carriers and Minnesota Rail Service Improvement Program, 1987 101

10 CONSTRUCTION AND REAL ESTATE

10.1 Employment in the Construction Industry, 1983 and 1986 103
10.2 Average Weekly Wage in the Construction Industry, 1983 and 1986 104
10.3 Building Cost Index for 20 Largest Metropolitan Areas in the United States, 1987 105
10.4 Minnesota Building Permits Authorized: Number of Units and Valuation, 1982 to 1986 106
10.5 Construction Contracts, New Housing Units Started and Sales of Existing Homes, 1982 and 1986 107
10.6 Metropolitan Area Construction Trends in Minnesota, 1982 to 1986 108
10.7 Twin Cities Office Space Market Summary, 1986 (thousand square feet) 109
10.8 Office Space Market Comparison Among the Top 10 U.S. Markets, 1986 (million square feet) 110
10.9 Twin Cities Industrial Construction Summary, 1986 and 1987 (thousand square feet) 111
10.10 Median House Sale Price for Metropolitan Statistical Areas (MSA) of Minnesota, 1986 112
10.11 Terms on Conventional Home Mortgages for All Major Lenders, November of 1986 and 1987 113

11 QUALITY OF LIFE

11.1 Cost of Living for the Largest Metropolitan Areas in the United States, 1986 115
11.2 Standard of Living for the Largest Metropolitan Areas in the United States, 1986 116
11.3 Indicators of Resident Stability 117
11.4 Seasonal Homes as a Percent of Total Housing Units, 1980 118
11.5 Climatic Averages for Minneapolis/St. Paul 119
11.6 State Arts Agency Appropriations Per Capita, 1985 120
11.7 Infant Mortality Rate Per 1,000 Live Births, 1986 121
11.8 Death Rates and Average Life Expectancy 122
11.9 Traffic Fatalities Per 100 Million Vehicle-miles Traveled, 1986 123
11.10 Crime Rates by Type (Offenses Per 100,000 Population), 1986 124
11.11 States with Lowest Incarceration Rates Per 100,000 Residents, 1986 125

12 INTERNATIONAL TRADE AND FOREIGN INVESTMENTS

		PAGE
12.1	Domestic Exports by SIC-Based Categories, January - March 1986	127
12.2	Domestic Exports by World Area and Leading Country of Destination, January - March 1986	128
12.3	Export/Import Trade, January - October 1987	129
12.4	Minnesota's Leading Manufactured Export Industries, Three-Digit SIC, 1984	130
12.5	Export Related Value of Manufacturers' Shipment by Two-Digit Manufacturing SIC Code, 1984	131
12.6	Export Related Manufacturing Employment by Two-digit SIC Code, 1984	132
12.7	Two- and Three-Digit Manufacturing Industries with High State Export Intensity, 1984	133
12.8	Two- and Three-Digit Manufacturing Industries with Low State Export Intensity, 1984	134
12.9	Number of Exporting Establishments and Export to Shipment Ratio, 1984	135
12.10	Foreign Direct Investment – Employment of Affiliates by Industry and Country, 1985	136
12.11	Foreign Direct Investment – Affiliates of Foreign Investors, 1985	137

DEMOGRAPHICS
1

TABLE 1.1 POPULATION, HOUSEHOLDS AND ANNUAL PERCENT CHANGE, 1970 TO 2000

Population (Thousands)

	1970 Census	*1980 Census*	*1986 Estimate*	*1990 Projection*	*2000 Projection*
Minnesota	**3,806**	**4,076**	**4,214**	**4,358**	**4,489**
Midwest	56,589	58,866	59,313	60,265	59,714
United States	203,302	226,546	241,078	249,203	267,462
Minnesota					
Percent of Midwest	5.5%	6.9%	7.1%	7.2%	7.5%
Percent of United States	1.5%	1.8%	1.8%	1.7%	1.7%

Households (Thousands)

	1970 Census	*1980 Census*	*1986 Estimate*	*1990 Projection*	*2000 Projection*
Minnesota	**1,154**	**1,445**	**1,565**	**1,731**	**1,870**
Midwest	17,537	20,859	21,944	-	-
United States	63,450	80,390	88,797	94,227	105,933

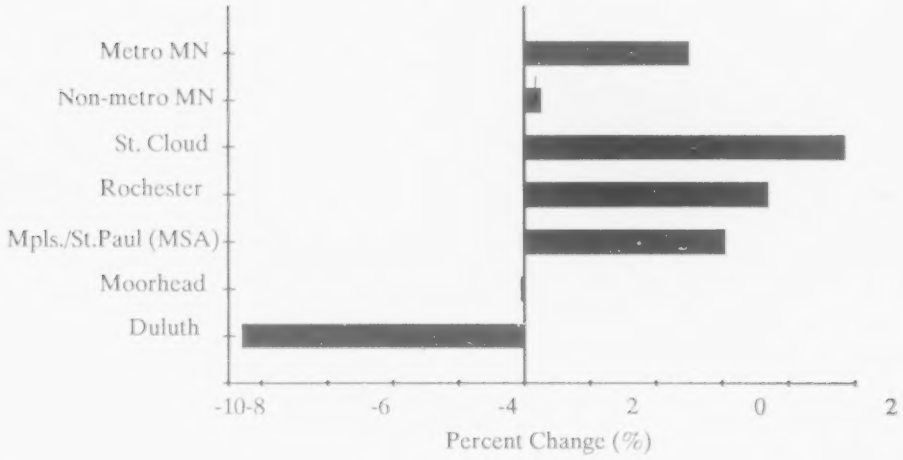
Annual Average Percent Change

	1970-1980	*1980-1986*	*1980-1990 Projection*	*1990-2000 Projection*
POPULATION				
Minnesota	**0.7%**	**0.6%**	**0.5 %**	**0.3%**
Midwest	0.4	0.1	0.1	-0.1
United States	1.1	1.0	0.8	0.7
HOUSEHOLDS				
Minnesota	**2.2**	**1.1**	**1.8**	**0.8**
Midwest	1.7	0.7	-	-
United States	2.4	1.6	1.6	1.2

Source: 1970 Census of Population (1970 data). Current Population Reports, Series P-25, No. 1010 (1980 and 1986 data). Current Population Report, Series P-25, No. 937 and No. 986 (B Series). Minnesota Household Projections: 1985 - 2000, Minnesota State Planning Agency, July 1983 (Low Series).

- Minnesota's population has grown steadily from 3.8 million persons in 1970 to 4.2 million in 1986.
- Despite its relatively slow but steady growth, Minnesota remains 21st among the 50 states in population size.
- The number of households in the state increased by 8.3 percent from 1,445,000 in 1980 to 1,565,000 in 1986.
- Household growth in Minnesota follows the state's population growth pattern, much faster than the Midwest and slower than the United States as a whole.
- Minnesota's 3.4 percent population growth rate between 1980 and 1986 was faster than the Midwest growth rate of 0.8 percent; but slower than the national growth rate of 6.4 percent during the same period. This trend is projected to continue.
- Since 1970, Minnesota's annual average household growth rate has remained higher than the annual average growth in population.
- Future population annual average growth rates in the United States, Minnesota and the Midwest are projected to be lower than previous levels.

TABLE 1.2 METROPOLITAN STATISTICAL AREA AND NON-METRO AREA POPULATION AND HOUSEHOLDS ESTIMATES FOR MINNESOTA, 1980 AND 1986



	Population			*Households*		
Metropolitan Statistical Area	*1980 Census* (Thousands)	*1986 Estimates* (Thousands)	*Percent Change*	*1980 Census* (Thousands)	*1986 Estimates* (Thousands)	*Percent Change*
Duluth/Superior (MN/WI)	222.2	203.1	-8.6%	81.4	75.3	-7.5%
Fargo/Moorhead (ND/MN)	49.3	49.3	-0.1	16.2	16.7	3.4
Mpls./St. Paul (MN)	2,093.9	2,221.9	6.1	755.7	834.4	10.4
Rochester (MN)	92.0	98.9	7.4	32.7	37.2	14.0
St. Cloud (MN)	163.3	179.0	9.7	49.4	56.4	14.3
Total Metropolitan	2,620.7	2,752.1	5.0	935.4	1,020.1	9.0
Total Non-metropolitan	1,455.3	1,462.0	0.5	509.8	534.1	4.8

Source: Minnesota State Planning Agency, State Demographer, Population Notes, November 1987, OSD 87-47.
(Note: Minneapolis/St. Paul MSA includes only the Minnesota portions of the Metropolitan Statistical Area .)

- In 1986, about 53 percent of Minnesota's 4.2 million population lived in the Minneapolis/St. Paul MSA. Twelve percent resided in other MSA's, while the remaining 35 percent of the state's population lived in non-metropolitan areas.
- During the six-year period (1980 - 1986), Minnesota's metropolitan population grew by 5 percent while the number of metropolitan households increased by 9 percent.
- While population growth in non-metropolitan Minnesota was only 0.5 percent since 1980, the number of households grew by almost 5 percent.
- The fastest growing MSA between 1980 and 1986 was St. Cloud, with a 9.7 percent population growth rate and a 14.3 percent household growth rate.
- Rochester and the 10-county Twin Cities MSA also reported population growth of 7.4 percent and 6.1 percent, respectively.
- The Minnesota portion of the Fargo-Moorhead MSA showed a population loss of 0.1 percent between 1980 and 1986.
- The Duluth MSA lost 8.6 percent of its population and 7.5 percent of its households between 1980 and 1986.

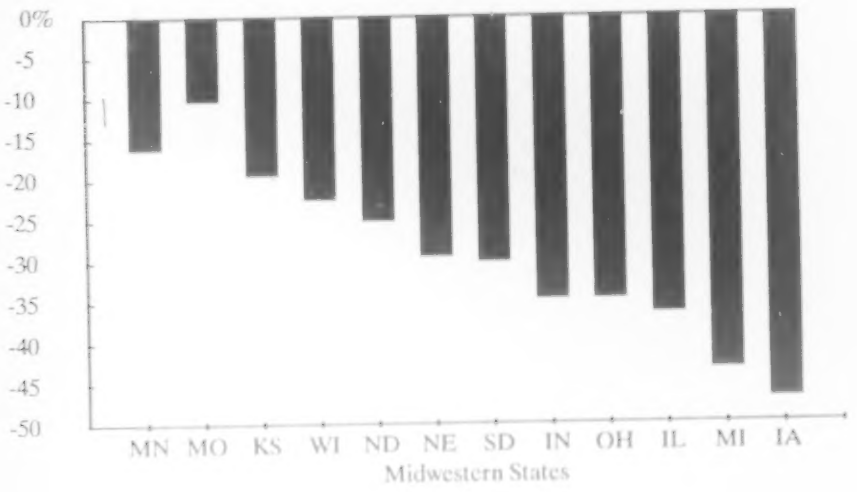
TABLE 1.3 MINNESOTA POPULATION BY TOWNSHIP AND CITY CLASS SIZE, 1980 AND 1986

Class Size	*Number In 1980*	*1980 Population (Thousands)*	*Percent Of Total Population*	*Number In 1986*	*1986 Population (Thousands)*	*Percent Of Total Population*
100,000 and More	2	641	15.9 %	2	627	14.9 %
50,000 to 99,999	3	233	5.8	4	283	6.7
25,000 to 49,999	18	617	15.3	19	677	16.1
10,000 to 24,999	42	671	16.6	42	682	16.2
5,000 to 9,999	44	310	7.7	47	343	8.2
2,500 to 4,999	98	333	8.2	103	352	8.4
1,000 to 2,499	295	455	11.3	292	457	10.9
500 to 999	537	364	9.0	538	373	8.9
250 to 499	850	302	7.5	802	284	6.8
Under 250	761	114	2.8	808	119	2.8
Total	2,650	4,040	100.0	2,657	4,197	100.0

Source: Office of State Demographer.
(Note: Excludes population in unorganized territories.)

- In 1986, there were 1,802 organized townships and 855 cities in Minnesota.
- Between 1980 and 1986, the number of Minnesotans living in cities with more than 100,000 in population has declined by 3 percent in Minneapolis and 1.2 percent in St. Paul. Similarly, this share of the total population has also declined by 1 percent.
- Almost one-third of all Minnesotans live in cities or suburbs of 10,000 to 50,000 population.
- The number of MCDs (Minor Civil Divisions) with fewer than 250 inhabitants increased from 761 to 808. Several small communities have lost population and fallen into the bottom class size.

TABLE 1.4 NET MIGRATION RATE, 1980 TO 1985

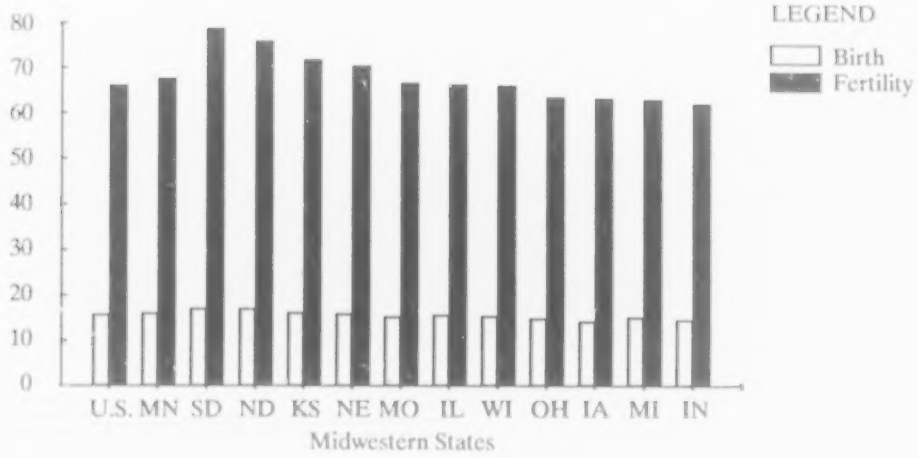


	Total Emigration (Thousands)	*Total Immigration (Thousands)*	*Net Migration Rate*
MIDWEST	6,901.7	4,998.3	-32.3
EAST NORTH CENTRAL	4,480.2	2,960.2	-36.5
Illinois	1,291.9	845.1	-39.1
Indiana	681.5	491.0	-34.7
Michigan	940.6	538.8	-43.4
Ohio	1,134.9	758.9	-34.7
Wisconsin	432.3	326.4	-22.5
WEST NORTH CENTRAL	2,421.6	2,038.1	-22.3
Iowa	387.6	250.5	-47.1
Kansas	456.5	410.3	-19.5
Minnesota	**418.6**	**352.6**	**-16.2**
Missouri	647.3	596.5	-10.3
Nebraska	253.5	207.2	-29.5
North Dakota	130.4	114.0	-25.1
South Dakota	127.9	107.1	-30.1

Source: Internal Revenue Service Data, 1980 through 1985; 1980 Census of Population.
(Note: Net migration rate is expressed per 1,000 population.)

- In the Midwest region, Minnesota is especially important as a source of migrants and a migration destination for states along its borders.
- Between 1980 and 1985, Minnesota experienced a net loss of about 66,000 residents. About 750,000 people moved into or out of Minnesota during the five-year period.
- All of the states bordering Minnesota were net emigration states.
- Overall, Minnesotans have low rates of migration per 1,000 population. Rates of immigration, emigration and gross migration (the sum of immigration and emigration) are all relatively low.
- Minnesota's net migration rate between 1980 and 1985 period was -16.2 per 1,000 population. Minnesota has a lower net migration rate than any of its neighboring states, while Missouri has the lowest rate within the Midwest region.

TABLE 1.5 BIRTH RATES AND FERTILITY RATES, 1985

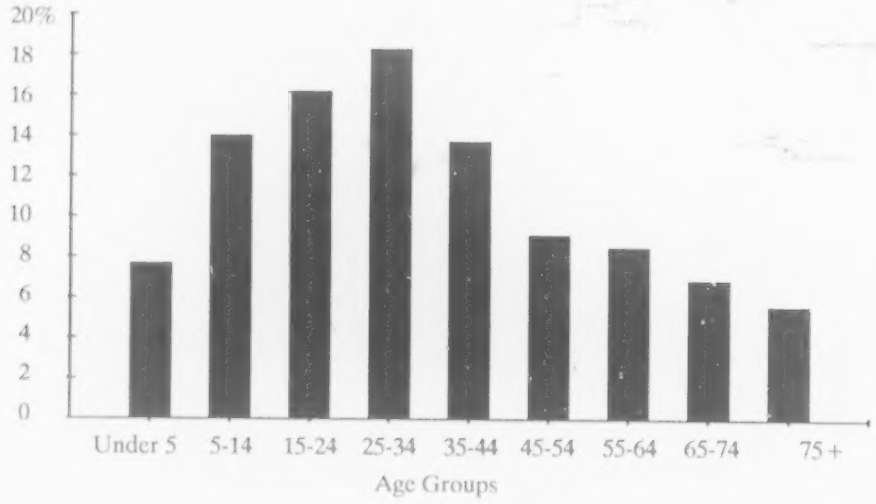


Regions and States	*1985 Birth Rate*	*U.S. Rank*	*1985 Fertility rate*	*U.S. Rank*
UNITED STATES	15.8	-	66.2	-
WEST NORTH CENTRAL	15.6		68.2	
Iowa	14.3	41	63.2	30
Kansas	16.2	17	71.9	13
Minnesota	**16.1**	**19**	**67.6**	**18**
Missouri	15.3	29	66.6	20
Nebraska	15.9	21	70.4	16
North Dakota	17.1	11	76.1	8
South Dakota	17.1	12	78.8	5
EAST NORTH CENTRAL	15.2		64.2	
Illinois	15.7	23	66.3	22
Indiana	14.7	36	62.1	35
Michigan	15.2	30	62.9	33
Ohio	14.9	35	63.5	29
Wisconsin	15.4	28	66.0	24

Source: National Center for Health Statistics, Monthly Vital Statistics Report, Vol. 36, No. 4, July 17, 1987.
(Note: Birth rate refers to live births per 1,000 population. Fertility rate is a measure that relates the number of births to women of childbearing age per 1,000 population.)

- The fertility rate, a measure that relates the number of births to women of childbearing age, did not change between 1984 and 1985. The rate in Minnesota for 1985 was 67.6 live births per 1,000 women aged 15 to 44.
- With some exceptions, Midwestern states have generally moderate fertility rates. However, there continues to be a wide variation in fertility rates among the 12 Midwestern states, ranging from 62.1 to 78.8 per 1,000 women aged 15 to 44 in 1985.
- Minnesota's birth rate in 1985 was 16.1 live births per 1,000 total population, 0.6 percent higher than the 1984 rate.
- Minnesota has a fertility rate that is lower than neighboring North and South Dakota, but higher than Wisconsin or Iowa.
- Since 1980, fertility rates have declined both in Minnesota and the United States, but the declines have been less dramatic than in the 1970-1980 period.

TABLE 1.6 PERCENT DISTRIBUTION OF MINNESOTA POPULATION BY AGE, 1986



	Under 5 Years	*5-14*	*15-24*	*25-34*	*35-44*	*45-54*	*55-64*	*65-74*	*75+*
Minnesota	7.7%	14.0%	16.2%	18.3%	13.7%	9.1%	8.5%	6.9%	5.6%
Midwest	7.4	14.4	16.3	17.6	13.3	9.4	9.3	7.2	5.2
United States	7.5	14.0	16.2	17.7	13.7	9.5	9.2	7.2	4.9

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Population Estimates and Projections, Series P-25, No. 1010.

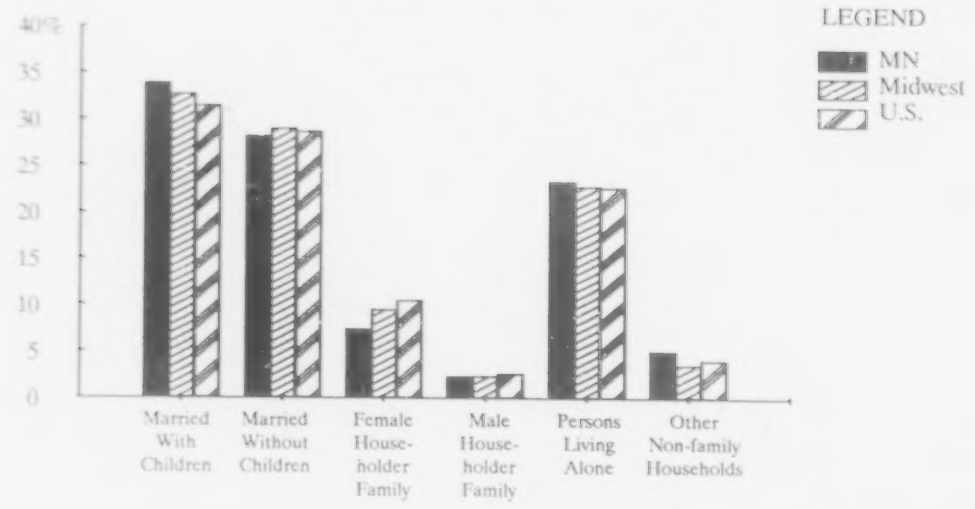
- Minnesota age distribution is very similar to the United States and Midwestern age distributions. The effect of the baby boom is shown by the large number of people in their 20s and 30s.

- Minnesota has a slightly lower percentage of the population in the 45 to 74 year age groups than either the United States or the Midwest. About 24.5 percent of Minnesotans are aged 45 to 74, compared with 25.9 percent of the population for both the United States and the Midwest.

- Compared to the United States and the Midwest, Minnesota has a slightly higher proportion of the population under age 5 and past age 75.

- Minnesota is slightly above the national and the Midwest averages in the percentage of the population aged 25 to 44, a prime working age group. In Minnesota, 32 percent of the population is 25 to 44, 1 percent higher than the national average of 31 percent. The Midwest average is also 31 percent.

TABLE 1.7 PERCENT DISTRIBUTION OF HOUSEHOLDS BY TYPE, 1980

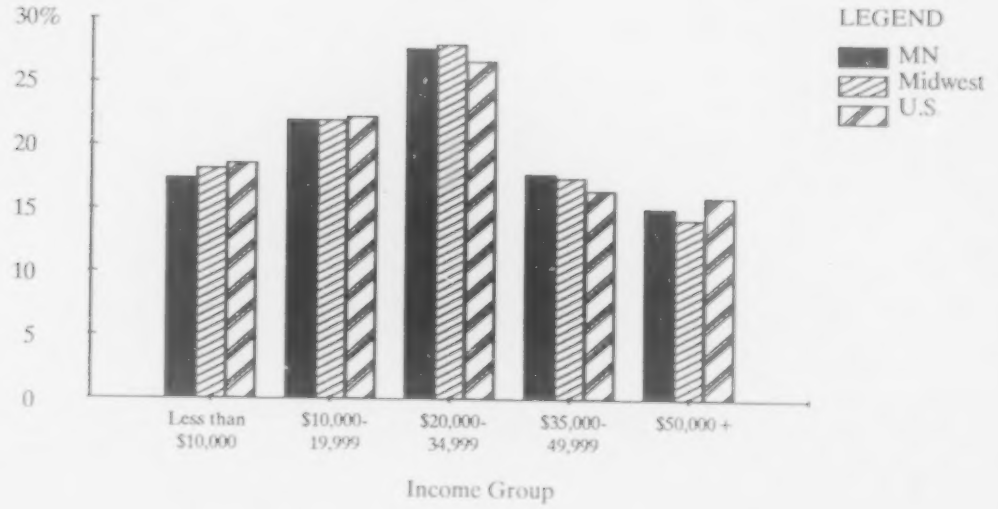


	Married With Children	*Married Without Children*	*Female Householder Family*	*Male Householder Family*	*Persons Living Alone*	*Other Non-family Households*
Minnesota	**33.9%**	**28.2%**	**7.4%**	**2.3%**	**23.3%**	**5.0%**
Midwest	32.7	29.0	9.5	2.4	22.8	3.6
United States	31.5	28.7	10.5	2.6	22.7	4.1

Source: U.S. Bureau of the Census, 1980 Census of Population.

- The largest household type is that of married couples with children. Minnesota has a higher proportion of married couples with children than either the United States or Midwest region.
- Minnesota has a slightly higher than average share of other non-family households.
- Both the nation and the region have a greater proportion of female householder families with no spouse present than Minnesota does.
- Minnesota has a slightly greater share of one person households than the nation or the Midwest region.

TABLE 1.8 PERCENT DISTRIBUTION OF HOUSEHOLDS BY INCOME GROUP, 1986



EFFECTIVE BUYING INCOME

	Less than $10,000	*$10,000-19,999*	*$20,000-34,999*	*$35,000-49,999*	*$50,000 +*
Minnesota	**17.4%**	**22.0%**	**27.7%**	**17.8%**	**15.1%**
Midwest	18.2	22.0	28.0	17.5	14.3
United States	18.6	22.3	26.7	16.5	16.0

Source: Sales and Marketing Management, Annual Survey of Buying Power, July 27, 1987
(Note: Effective buying income is personal income less personal taxes, non-tax payments and personal contributions for social insurance.)

- Minnesota and the Midwestern states have nearly identical proportions of middle-class households (those with $20,000 to $34,999 in income). The nation as a whole has a slightly lower proportion of households in this income category.
- Minnesota has a higher share of its residents in the upper income category ($50,000 and more) than the Midwest region as a whole.
- One of Minnesota's greatest differences from the United States and the Midwest region is its low share of households with income less than $10,000.
- The state also deviates from the nation in its greater concentration of households in the upper-middle income range ($35,000 to $49,999).

INCOME
2

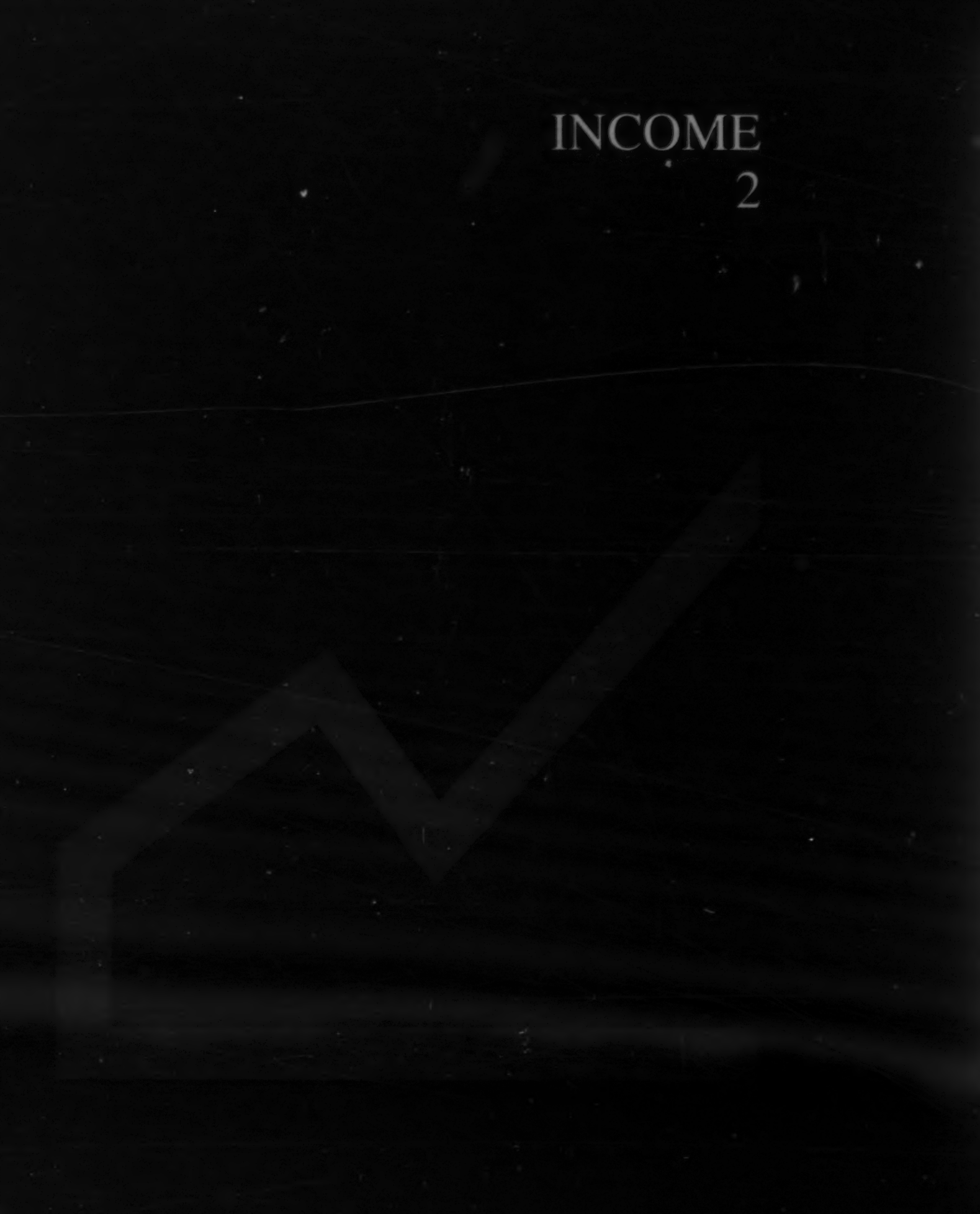
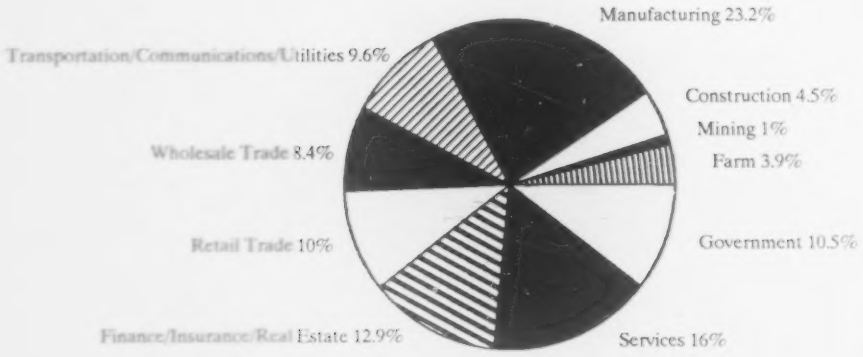


TABLE 2.1 MINNESOTA GROSS STATE PRODUCT (GSP) BY INDUSTRY, 1985



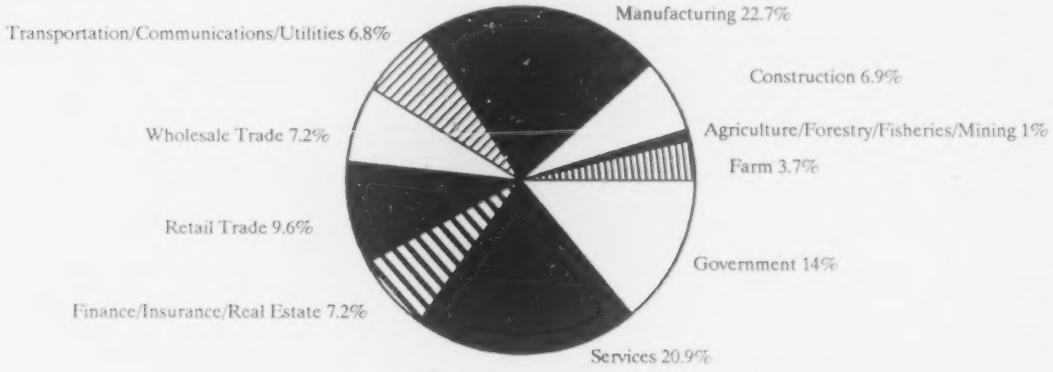
Total Minnesota Gross State Product = $69,109 million

Major Industry Group	*1985 GSP (Millions)*
TOTAL	$69,109
Farm	2,693
Non-farm	66,416
Mining	672
Construction	3,123
Manufacturing	16,064
Durable goods	9,206
Non-durable goods	6,856
Transportation, communications and utilities	6,643
Trade	12,674
Wholesale	5,775
Retail	6,899
Finance, insurance and real estate	8,897
Services	11,065
Government	7,279

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987. (Note: Estimates on gross state product are part of an experimental series in GSP that the Bureau of Economic Analysis has under development.)

- Minnesota's Gross State Product (GSP) was estimated to be $69.1 billion in 1985 ($63.1 billion in constant 1982 dollars).
- The manufacturing sector, which contributed $16.1 billion to Minnesota's GSP, represented the largest share (23 percent) among the major industry groups.
- Other industries that contributed to Minnesota's GSP were: services, $11.1 billion (16 percent), finance, insurance and real estate, $8.9 billion (13 percent), retail trade, $6.9 billion (10 percent), transportation, communication and utilities, $6.6 billion (10 percent) and wholesale trade $5.8 billion (8 percent).
- Industries that contributed 5 percent or less to Minnesota's GSP were: farming, forestry and fishery, $2.7 billion (4 percent), mining, $672 million (1 percent) and construction, $3.1 billion (5 percent).

TABLE 2.2 TOTAL EARNINGS BY MAJOR INDUSTRY GROUPS, FOURTH QUARTER 1987



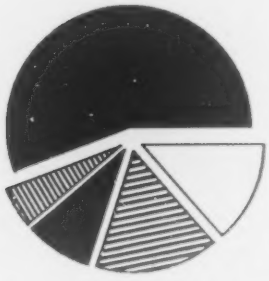
Total Minnesota Earnings By Major Industry Group = $52,953 million

Major Industry Group	*Minnesota (Millions)*	*United States (Millions)*
TOTAL	$52,953	$2,816,393
Farm	3,502	56,106
Non-farm:	49,452	2,760,287
Private, total non-agricultural:	42,431	2,317,148
Agriculture, forestry and fishery	203	13,875
Mining	379	37,778
Construction	3,295	178,234
Manufacturing	11,766	573,490
Durable goods	4,675	211,900
Non-durable goods	7,091	361,591
Transportation, communications and utilities	3,609	192,373
Trade	8,702	448,775
Wholesale	3,746	176,736
Retail	4,956	272,039
Finance, insurance and real estate	3,632	213,310
Services	10,846	659,315
Government	7,021	443,138

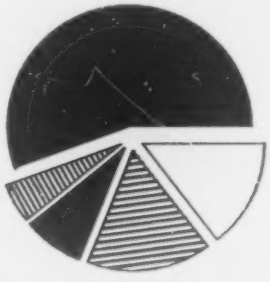
Source: Regional Economic Information System, Bureau of Economic Analysis, April 1988.
(Note: Figures are seasonally adjusted at annualized rates.)

- Minnesota's manufacturing industry contributed the largest share of total earnings among the state's major industry groups. Roughly 22 percent of the total earnings came from this sector alone.
- While the manufacturing industry represented the major source of earnings in Minnesota, the service industry contributed the largest share of earnings in the nation as a whole.
- Construction, transportation, communication and utilities and finance, insurance, and real estate industries had equal shares (7 percent) of the total earnings for both the United States and Minnesota.
- Minnesota's agriculture, forestry and fishery, and mining industries had the lowest share of total earnings among the major industry groups, at 0.4 and 1 percent of the total earnings, respectively.

TABLE 2.3 TOTAL PERSONAL INCOME BY MAJOR SOURCE, FOURTH QUARTER 1987



Minnesota = $69,731 million



United States = $3,845 billion

- Wages and Salaries 55.7%
- Other Labor Income 5.5%
- Proprietors' Income 8.8%
- Dividends, Interest, Rent 16.3%
- Transfer Payments 13.7%

- Wages and Salaries 55.4%
- Other Labor Income 5.3%
- Proprietors' Income 8.1%
- Dividends, Interest, Rent 16.5%
- Transfer Payments 14.6%

Major Source	*Minnesota (Millions)*	*United States (Millions)*
Total earnings by place of work:	$52,953	$2,816,393
Wages and salaries	40,981	2,267,708
Other labor income	3,961	213,425
Proprietors' income:	8,012	335,260
Farm	3,265	46,842
Non-Farm	4,746	288,418
Less: contributions for social insurance	3,555	172,929
Plus: adjustment for residence	(262)	(566)
Equals: net earnings	49,137	2,642,897
Plus: dividends, interest and rent	11,374	650,222
Plus: transfer payments:	9,221	551,652
State unemployment insurance payments	319	13,369
Transfers excluding state unemployment insurance	8,902	538,283
Equals: TOTAL PERSONAL INCOME	69,731	3,844,771

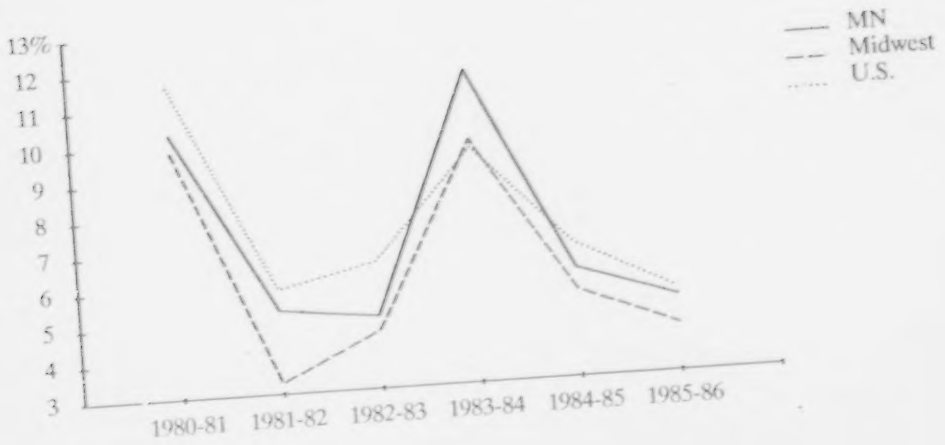
Source: Regional Economic Information System, Bureau of Economic Analysis, April 1988.
(Note: Figures are seasonally adjusted at annualized rates. Adjustment for residence refers to the location where the income is received.)

- Seventy percent of the total personal income in Minnesota is derived from wages and salaries, other labor income, and proprietors' income (or earnings by place of work) after contribution for social insurance and adjustments for residence. The remaining 30 percent comes from the following sources: 16 percent from dividends, interest and rent, and 14 percent from transfer payments.

- In Minnesota, wages and salaries constitute about 56 percent of the total personal income after deduction for social insurance and adjustment for residence. Five percent comes from other labor income and 9 percent from proprietors' income (farm and non-farm).

- Minnesota and the United States have a similar percentage distribution of total personal income based on the major income sources listed.

TABLE 2.4 ANNUAL PERCENT CHANGE IN PER CAPITA PERSONAL INCOME, 1980 TO 1986



	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*Growth Rate*
TOTAL PERSONAL INCOME							
Minnesota	10.3%	5.3%	5.0%	11.6%	6.0%	5.1%	7.2%
Midwest	9.8	3.3	4.6	9.7	5.4	4.3	6.2
United States	11.6	5.9	6.5	9.5	6.7	5.3	7.6
PER CAPITA PERSONAL INCOME							
Minnesota	9.5	4.8	4.7	11.1	5.3	4.6	6.6
Midwest	9.6	3.4	4.7	9.4	5.2	4.1	6.0
United States	10.4	4.8	5.4	8.5	5.7	4.3	6.5

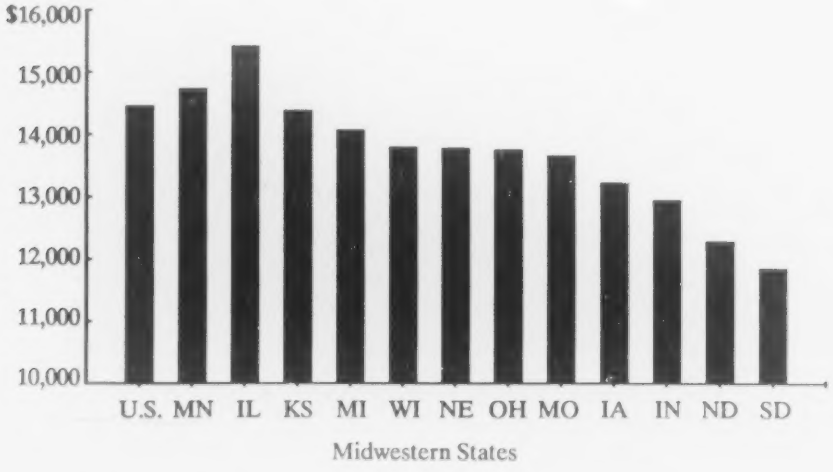
Source: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Volume 67, No. 4, April 1987

- Minnesota's total personal income and per capita personal income growth rates exceeded the 12-state Midwest personal income growth rates during the last six years (i.e., from 1980 to 1986).

- Minnesota lagged behind the U.S. average in total personal income growth during the same period, but surpassed the national average by 0.1 percent in per capita personal income growth rate.

- From 1980 to 1986, Minnesota's total personal income grew at a rate of 7.2 percent a year, more than the 6.6 percent annual growth rate in per capita personal income. Similar growth patterns hold true for the United States and the Midwest region.

TABLE 2.5 PER CAPITA PERSONAL INCOME, 1986

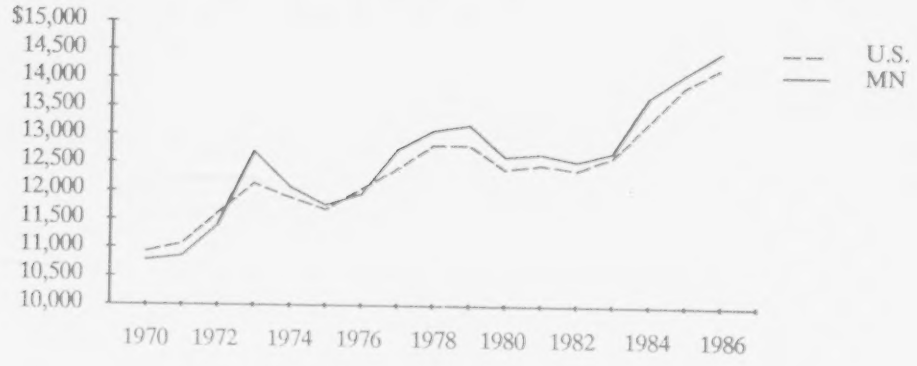


State	*Total Personal Income (Millions)*	*Percent Change 1985-1986*	*Per Capita Personal Income*	*Percent Change 1985-1986*	*U.S. Rank*
UNITED STATES	$3,486,206	5.3%	$14,461	4.3%	-
WEST NORTH CENTRAL	243,105	4.2	13,832	4.1	-
Minnesota	**62,104**	**5.1**	**14,737**	**4.6**	**14**
Kansas	35,377	4.8	14,379	4.3	18
Nebraska	22,012	3.2	13,777	3.7	23
Missouri	69,188	3.9	13,657	3.2	25
Iowa	37,693	3.8	13,222	4.9	29
North Dakota	8,343	1.1	12,284	1.9	36
South Dakota	8,389	6.2	11,850	6.2	39
EAST NORTH CENTRAL	591,767	4.4	14,178	4.1	-
Illinois	178,136	4.8	15,420	4.6	9
Michigan	128,610	4.0	14,064	3.4	20
Wisconsin	66,011	5.1	13,796	4.9	22
Ohio	147,771	4.0	13,743	3.9	24
Indiana	71,239	4.1	12,944	4.0	32

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Volume 67, No. 4, April 1987.
(Personal income is the current income received by persons from all sources minus their personal contributions for social insurance.)

- In 1986, Minnesota's per capita personal income was $14,737, exceeding the U.S. average of $14,461.
- Minnesota ranks 14th among all states in per capita personal income. Among the Midwestern states, only Illinois has a higher per capita personal income than Minnesota.
- Minnesota also has a higher per capita personal income than any of its bordering states: Iowa, North Dakota, South Dakota and Wisconsin.
- Minnesota's per capita personal income growth rate between 1985 and 1986 is higher than the U.S. average by .3 percent.

TABLE 2.6 REAL PER CAPITA PERSONAL INCOME (1985 DOLLARS), 1970 TO 1986

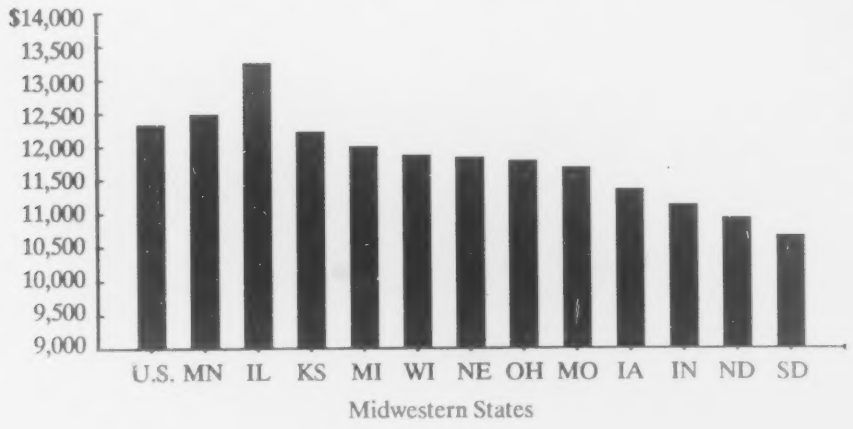


	Real Income Per Capita		*Percent Change*	
Year	*United States*	*Minnesota*	*United States*	*Minnesota*
1969	$10,898	$10,670		
1970	10,929	10,785	0.3%	1.1%
1971	11,068	10,853	1.3	0.6
1972	11,610	11,402	4.9	5.1
1973	12,128	12,692	4.5	11.3
1974	11,885	12,072	(2.0)	(4.9)
1975	11,677	11,749	(1.7)	(2.7)
1976	12,032	11,947	3.0	1.7
1977	12,398	12,741	3.0	6.6
1978	12,815	13,071	3.4	2.6
1979	12,821	13,176	0.0	0.8
1980	12,395	12,614	(3.3)	(4.3)
1981	12,472	12,668	0.6	0.4
1982	12,385	12,537	(0.7)	(1.0)
1983	12,613	12,698	1.8	1.3
1984	13,228	13,683	4.9	7.8
1985	13,867	14,092	1.7	2.8
1986	14,205	14,476	2.4	2.7

Source: U.S. Bureau of Economic Analysis, 1985, 1986 Per Capita Income from U.S. Department of Commerce News, 87-16. Survey of Current Business, Vol. 67, No. 4, April 1987.
(Note: Consumer Price Index - Urban Wage Earner (CPI-U) for the United States was used in the calculation.)

- During the last 17 years, Minnesota's real per capita income has risen at a compound annual growth rate of 1.8 percent. This represents a 12.5 percent faster growth rate in Minnesota real per capita income relative to the U.S. compound annual growth rate of 1.6 percent.
- Years during which the U.S. economy is strong tend to bode well for Minnesota -- in 1973, 1977 and 1984 the state gain in real per capita personal income surpassed that of the nation.
- Real per capita personal income (1985 dollars) in Minnesota has exceeded that of the United States every year since 1977.
- Minnesota's 1986 real per capita personal income was 1.9 percent higher than the U.S. average.
- Recessionary periods usually hurt Minnesota more than the nation, as the sharper drops in 1974, 1975, 1980 and 1982 indicate.

TABLE 2.7 PER CAPITA DISPOSABLE PERSONAL INCOME, 1986

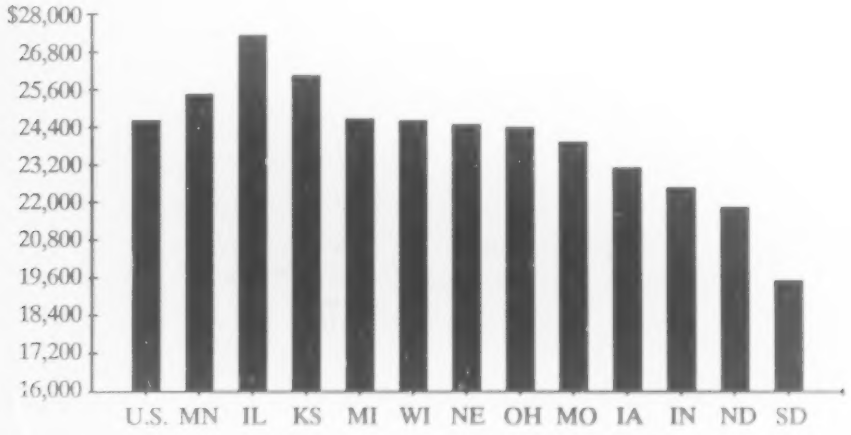


State	*Total Disposable Personal Income (Millions)*	*Percent Change 1985-1986*	*Per Capita Disposable Personal Income*	*Percent Change 1985-1986*	*U.S. Rank*
UNITED STATES	$2,973,380	5.2%	$12,334	4.2%	-
WEST NORTH CENTRAL	208,313	4.4	11,852	4.3	-
Minnesota	**52,624**	**6.0**	**12,488**	**5.4**	**16**
Kansas	30,064	5.0	12,220	4.5	19
Nebraska	19,171	2.8	11,999	3.3	20
Missouri	59,139	3.8	11,673	3.2	25
Iowa	32,352	3.7	11,349	4.8	29
North Dakota	7,419	0.9	10,923	1.8	35
South Dakota	7,544	6.0	10,656	6.1	36
EAST NORTH CENTRAL	506,047	4.2	12,125	4.0	-
Illinois	153,088	4.7	13,252	4.5	9
Michigan	108,498	3.9	11,865	3.3	22
Wisconsin	56,601	4.7	11,829	4.5	23
Ohio	126,685	3.9	11,782	3.9	24
Indiana	61,175	4.0	11,116	3.9	31

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Volume 67, No. 4, April 1987.
(Disposable personal income is personal income less personal tax and other nontax payments. It is the income available to persons for spending and saving.)

- Minnesota ranks 16th among all states in per capita disposable personal income. Among the Midwestern states, only Illinois has a higher per capita disposable personal income than Minnesota.
- Minnesota has a higher per capita disposable personal income than any of its bordering states. Wisconsin ranks 23rd, Iowa 29th, North Dakota 35th and South Dakota 36th.
- Minnesota's percentage growth rate in per capita disposable personal income relative to 1985 is higher than the U.S. average by 1.2 percent. It also ranks first (tied with South Dakota) in terms of total disposable personal income growth within the Midwestern states.

TABLE 2.8 MEDIAN HOUSEHOLD DISPOSABLE INCOME AND AVERAGE HOUSEHOLD DISPOSABLE INCOME, 1986



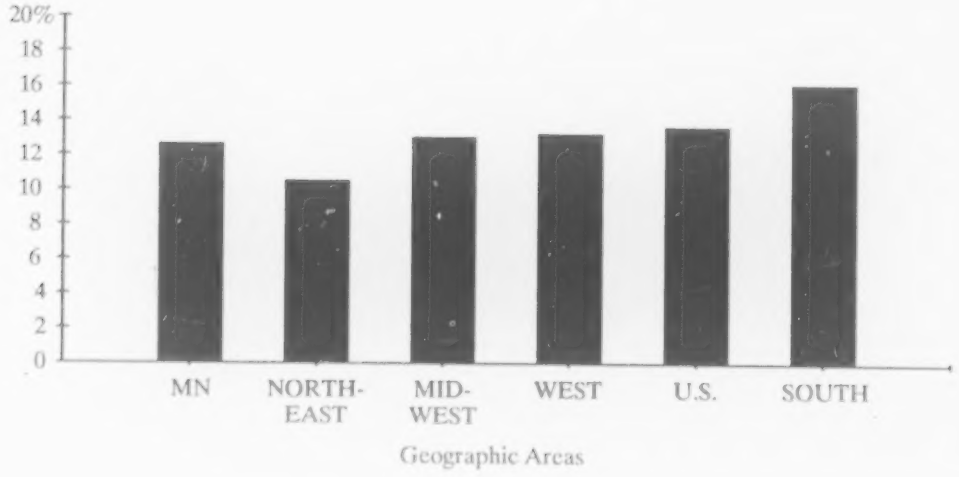
Midwestern States (Median Income)

State	*Average Household Disposable Income*	*U.S. Rank*	*Median Household Disposable Income*	*U.S. Rank*
UNITED STATES	$33,252	-	$24,632	-
WEST NORTH CENTRAL	31,837	-	23,400	-
Iowa	29,410	32	21,837	35
Kansas	34,057	15	24,603	23
Minnesota	33,417	17	**25,470**	**16**
Missouri	31,389	25	23,084	30
Nebraska	31,106	26	22,446	31
North Dakota	32,910	19	23,915	25
South Dakota	28,571	35	19,482	46
EAST NORTH CENTRAL	33,113	-	25,579	-
Illinois	35,906	11	27,323	11
Indiana	30,985	29	24,382	26
Michigan	33,447	16	26,056	14
Ohio	31,661	23	24,665	22
Wisconsin	31,487	24	24,483	24

Source: Survey of Current Business, Volume 67, No. 4, April 1987. Sales and Marketing Management, Survey of Buying Power, July 27, 1987.
(Average household disposable income is total disposable personal income divided by the number of households. The median household figure divides the income distribution into two equal parts, with one-half the households above it, and the other half below it.)

- Minnesota's median household disposable income, which measures household funds available for consumer purchases, was $25,470 in 1986. This was 3 percent higher than the U.S. average of $24,632, ranking Minnesota 16th highest among the 50 states.
- Minnesota's average household disposable income was 1 percent higher than the U.S. average.
- Minnesota is in the top one-third of all states in both average household and median household disposable income.
- Minnesota's average household and median household disposable incomes are also higher than those of its neighboring states.

TABLE 2.9 POPULATION BELOW THE POVERTY LEVEL AND POVERTY RATE, 1986

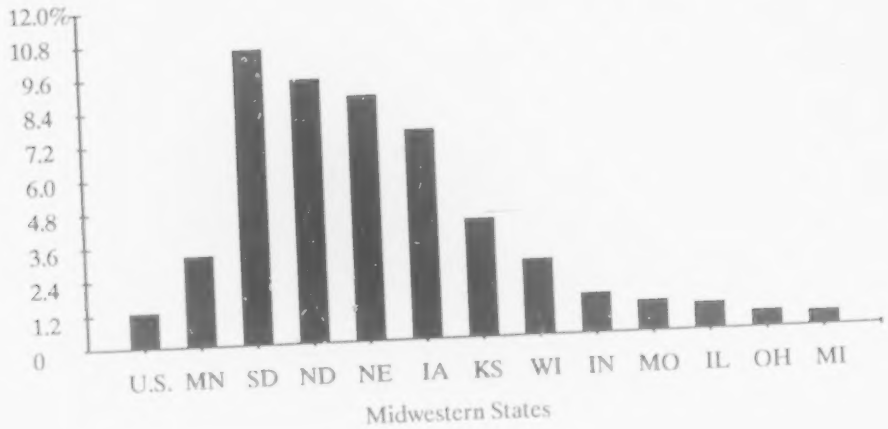


Geographic Area	*Number Below Poverty Level (Thousands)*	*Poverty Rate*
Northeast	5,211	10.5%
Midwest	7,641	13.0
Minnesota	N/A	**12.6**
West	6,412	13.2
South	13,106	16.1
United States	32,370	13.6

Source: U.S. and regional figures from U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-60, No. 157. Minnesota data from Current Population Survey.
(Note: Poverty is defined as a set of money thresholds that vary by family size and composition. Families or individuals with income below the thresholds are considered below the poverty level.)

- Minnesota is slightly below the U.S. and Midwestern populations in the percentage of people living below the poverty level.
- The South is the region with the highest poverty rates. The West and the Northeast regions are below average.

TABLE 2.10 FARM INCOME AS PERCENTAGE OF PERSONAL INCOME, 1986



	Total Personal Income	*Farm Income*	*Farm Income as Percent of Total*	*U.S. Rank*
UNITED STATES	$3,529,522	$44,310	1.3%	-
WEST NORTH CENTRAL	245,926	10,765	4.4	-
South Dakota	8,364	883	10.6	1
North Dakota	8,470	799	9.4	2
Nebraska	21,957	1,923	8.8	3
Iowa	38,053	2,848	7.5	4
Kansas	36,042	1,517	4.2	7
Minnesota	**63,184**	**2,040**	**3.2**	**9**
Missouri	69,856	755	1.1	29
EAST NORTH CENTRAL	603,815	6,053	1.0	-
Wisconsin	66,549	1,795	2.7	10
Indiana	72,294	1,016	1.4	22
Illinois	180,052	1,674	0.9	31
Ohio	149,807	889	0.6	35
Michigan	135,113	680	0.5	38

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, Volume 67, No. 8, August 1987.

- Minnesota ranks ninth among all states in the percentage of personal income derived from farming. About 3 percent of Minnesota personal income comes from farming, more than twice the national average.

- Minnesota is also high on the ranking of total farm income. Minnesota has the seventh highest total farm income.

- Minnesota's bordering states all rank in the top 10 for the percent of income derived from farming. South Dakota ranks first, North Dakota second, Iowa is fourth and Wisconsin ranks 10th.

INDUSTRY MIX
3

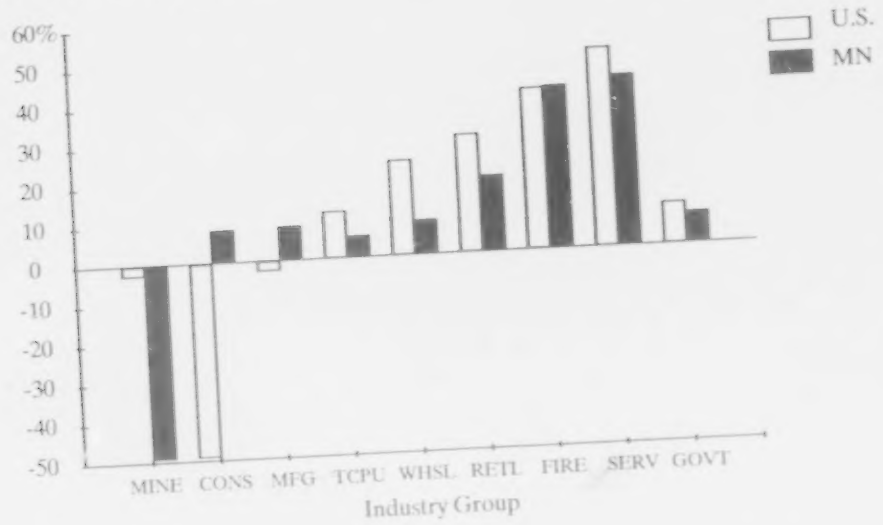
TABLE 3.1 NUMBER OF MINNESOTA BUSINESS ESTABLISHMENTS BY INDUSTRY GROUP, 1977 TO 1986

Major Industry Group	*Establishments* 1977	1986	*Percent Change*
Agriculture	1,512	1,998	32.1%
Mining	183	208	13.7
Construction	9,916	11,279	13.8
Manufacturing	5,800	7,365	27.0
Transportation/Communications/Utilities	4,175	4,995	19.6
Trade	31,946	37,686	18.0
Wholesale Trade	9,264	11,683	26.1
Retail Trade	22,682	26,003	14.6
Finance/Insurance/Real Estate	7,353	9,409	28.0
Services	20,228	30,729	51.9
Total	81,113	103,669	27.8

Source: Minnesota Department of Jobs and Training, ES-202 data.
[Note: Establishments represent reporting units of firms with payroll employment covered under the Unemployment Insurance Law. Data is from the first quarter of each year.]

- In 1986, Minnesota had more than 100,000 business units that employed workers, an increase of about 22,000 from 1977.
- Trade, services and the financial industries account for more than 75 percent of all business units. Manufacturing has less than 10 percent of the total.
- The largest increase in the number of establishments and most rapid growth rate from 1977 to 1986 occurred in the service sector, accounting for more than 50 percent of the net establishment growth.
- The manufacturing sector displayed a 27 percent rise in establishments, more than its employment growth of 9 percent. This implies a decrease in the average unit size.
- The growth in establishments has been moderate for finance/insurance/real estate despite the large employment increase of 42 percent for the same period.
- The 28 percent increase in establishments since 1977 corresponded to an 18 percent growth in employment during the same period. (Table 3.2)

TABLE 3.2 PERCENT CHANGE IN EMPLOYMENT BY INDUSTRY GROUP, 1977 TO 1986

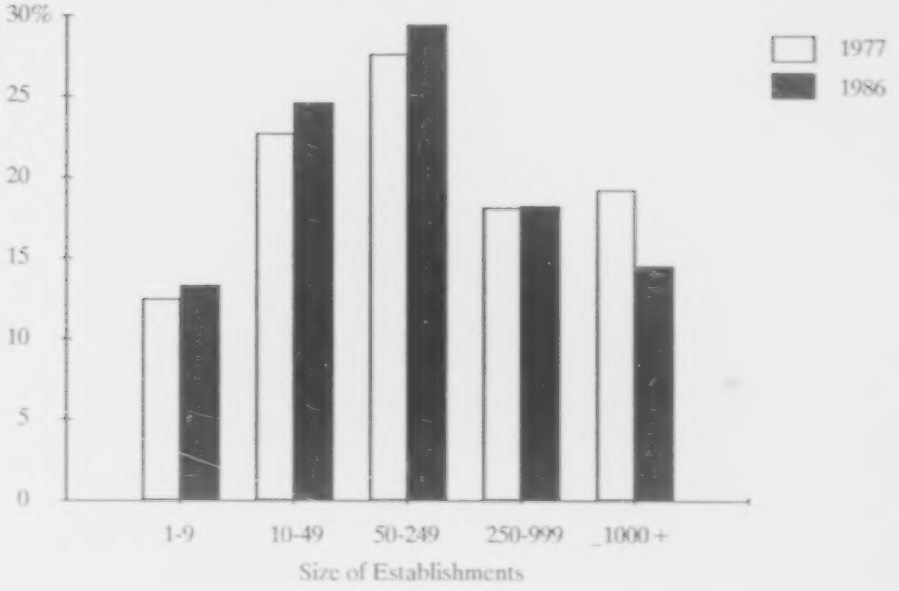


	Minnesota Employment			*U.S Employment*		
Major Industry Group	*1977*	*1986*	*Percent Change*	*1977 (Thousands)*	*1986 (Thousands)*	*Percent Change*
Mining	12,881	6,541	-49.2%	813	792	-2.6%
Construction	68,718	74,560	8.5	3,851	1,960	-49.1
Manufacturing	339,287	369,022	8.8	19,682	19,186	-2.5
Transportation/ Communications/Public Utilities	92,427	97,504	5.5	4,713	5,286	12.2
Wholesale Trade	107,869	117,382	8.8	4,708	5,853	24.3
Retail Trade	295,629	353,050	19.4	13,808	17,978	30.2
Finance/Insurance/Real Estate	82,197	116,268	41.5	4,467	6,305	41.1
Services	311,969	447,778	43.5	15,303	23,072	50.8
Government	286,317	309,054	7.9	15,127	16,735	10.6
TOTAL	1,597,293	1,891,159	18.4	82,471	100,167	21.5

Source: Minnesota Department of Jobs and Training, ES-790 Program Data. U.S. Bureau of Labor Statistics, Employment and Earnings, 1987.
(Note: Table refers to payroll employment in non-agricultural industries.)

- Minnesota's manufacturing and construction employment figures have risen while those of the United States have declined.
- The services industry has added more jobs than any of the industrial groups in both the United States and Minnesota.
- The finance/insurance/real estate sector in Minnesota and the nation both showed growth rates of 41 percent for the period considered.

TABLE 3.3 DISTRIBUTION OF MINNESOTA EMPLOYMENT BY SIZE OF ESTABLISHMENT FIRST QUARTER 1977 AND 1986



Size	Establishments 1977	Establishments 1986	Employment 1977	Employment 1986	Percentage of Employment 1977	Percentage of Employment 1986	Percent Change
1-9	63,251	81,270	184,648	237,357	12.5%	13.3%	28.6%
10-49	16,609	21,730	334,438	439,533	22.7	24.6	31.4
50-249	4,163	5,323	407,072	525,076	27.6	29.4	29.0
250-999	604	748	266,442	325,517	18.1	18.2	22.2
1000 +	134	110	282,859	258,305	19.2	14.5	-8.7
TOTAL	84,761	109,181	1,475,429	1,785,788	100	100	21.0

Source: Minnesota Department of Jobs and Training, ES-202 Data.
(Note: Establishments represent reporting units of firms with payroll employment covered under Unemployment Insurance Law.)

- In 1986, 74 percent of all establishments had fewer than 10 workers, but employment in this size class is only 13 percent of the total.
- Employment in small and medium-sized establishments has grown the most during the nine-year period.
- Both the number of establishments and total employment have decreased for the 1000+ class since the first quarter of 1977, resulting in a sharp drop in that group's share of total employment.

TABLE 3.4 EMPLOYMENT BY MANUFACTURING INDUSTRY, 1977 TO 1986

Sic	*Industry*	*Minnesota Employment 1986*	*Percent Change Minnesota*	*U.S.*
35	Computers and Non-electric Machinery	81,063	16.5%	-4.3%
20	Food and Kindred Products	45,359	-9.2	-4.1
27	Printing and Publishing	42,971	48.7	29.6
34	Fabricated Metals	33,248	0.9	-9.1
26	Paper and Allied Products	32,609	5.4	-0.2
38	Scientific Instruments	30,550	41.7	16.6
36	Electrical Machinery	26,184	1.3	15.5
30/31	Rubber, Plastics and Leather	13,916	15.2	-1.3
24	Lumber and Wood Products	13,560	16.7	0.7
37	Transportation Equipment	8,799	-20.4	6.0
28	Chemicals and Allied Products	8,765	37.6	-4.4
32	Stone, Clay and Glass	7,930	-13.5	-11.1
39	Miscellaneous Manufacturing	6,459	-17.6	-16.3
33	Primary Metals	6,100	3.3	-35.0
25	Furniture and Fixtures	5,137	55.4	7.0
23	Apparel	2,823	-60.4	-15.3
22	Textile Mill Products	2,000	-33.5	-22.1
29	Petroleum and Coal Products	1,550	-8.2	-19.1
	ALL MANUFACTURING	369,023	8.8	-2.5

Source: U.S. Bureau of Labor Statistics, Employment and Earnings, 1987, Minnesota Department of Jobs and Training, ES-202 Data.

- Employment in Minnesota's manufacturing sector grew by more than 8 percent from 1977 to 1986. During the same period, manufacturing employment decreased in the United States.
- The fastest growing manufacturing industries in Minnesota during 1977 to 1986 were furniture/fixtures, printing/publishing, scientific instruments, chemicals, computers and non-electrical machinery, and wood products.
- Large declines occurred in the apparel, textile, stone/clay/glass, petroleum/coal and miscellaneous manufacturing industries in both Minnesota and the United States.
- From 1977 to 1986, Minnesota's percentage change in employment growth rate surpassed the nation's for 11 of the 18 manufacturing industries.
- During the past nine years, six manufacturing industries experienced employment growth in Minnesota and declines in the rest of the country: paper, chemicals, rubber/plastics, primary metals, fabricated metals, and computers and non-electrical machinery.
- Minnesota's largest manufacturing employer, computers and non-electrical machinery (which includes office computing equipment), grew nearly 17 percent in Minnesota while declining 4 percent at the national level.

TABLE 3.5 PATTERNS OF JOB CHANGE AND CONTRIBUTION TO NET CHANGE BY FIRM SIZE, 1978 TO 1986

Pattern Of Job Change	*Change From 1982 Employment* Minnesota	U.S.	*Firm Size By Number Of Employees*	*Percent Contribution To Net Change* Minnesota	U.S.
Net Change	30.4%	21.7%	ALL FIRMS	100.0%	100.0%
Births	49.7	51.1	Very Small (0-19)	19.3	28.4
Expansion	25.0	18.9	Small (20-99)	11.0	14.8
Deaths	-32.4	-37.6	Medium (100-499)	8.3	11.1
Contractions	-11.9	-10.8	Large (500+)	61.4	45.7

Source: Social and Scientific Systems Inc. (under contract with U.S. Small Business Administration), USELM 78/86 Longitudinal Weighted Data, January 1988.
(Note: Firm size classes are assigned by the overall employment level in the corporation, not that of the branch location. Job growth patterns are defined as follows:
Birth - new business entity through start-up, merger or divestiture, or new branch location from parent company in another state.
Expansion - net internal growth or new intrastate branch location.
Death - bankcruptcy, dissolution or complete transfer to another state.
Contraction - net internal decline or branch closure.)

- Minnesota's net employment change between 1978 and 1986 was 30 percent, roughly 9 percent higher than the U.S. growth of 21.7 percent.
- Underlying Minnesota's above average employment growth are its lower rate of firm deaths and higher rate of new firms.
- Business births and deaths continued to be more important causes of job changes at the national level than in Minnesota.
- Business expansion created relatively more jobs in Minnesota than in the nation.
- Employment losses due to firms contracting in size between 1978 and 1986 are slightly higher in Minnesota than in the United States.
- In both the United States and Minnesota, business births added more to net job growth than expansion did.
- At least 75 percent of net employment growth in both the United States and Minnesota occurred in both small and large firms.
- From 1978 to 1987, 8 percent of net job generation in Minnesota took place at companies with employment levels between 100 and 500.
- Large firms (more than 500 employees) in Minnesota accounted for 61 percent of the net change in employment during the eight-year period, roughly 34 percent more than the national average and the most of any size category.

TABLE 3.6 KEY INDUSTRIES IN MINNESOTA BASED ON EMPLOYMENT LEVEL

SIC	Industry	*Employment Change 1977-86*	*Percent Change 1977-86*	*Employment Level 1986*	*Location Quotient* 1986*
357	Office and Computing Machines	12,581	44.0%	41,166	4.56
805	Nursing and Personal Care Facilities	10,095	33.2	40,492	1.71
801	Offices of Physicians	7,959	39.9	27,885	1.47
275	Commercial Printing	5,278	45.5	16,879	1.75
381	Engineering and Scientific Instruments	4,623	121.7	8,421	5.30
573	Radio, TV and Music Stores	3,364	88.0	7,187	1.49
596	Non-store Retailers	3,331	47.9	10,280	2.07
271	Newspapers	2,894	35.1	11,135	1.28
384	Medical Instruments and Supplies	2,540	47.9	7,845	2.29
348	Ordnance and Accessories	2,148	22.0	11,916	8.17
272	Periodicals	2,100	161.8	3,398	1.55
278	Blankbooks and Bookbindings	1,081	66.4	2,709	1.96
546	Retail Bakeries	941	24.2	4,836	1.58
415	School Bus Transportation	905	21.7	5,069	2.89
284	Soaps, Cleaners and Toilet Goods	770	27.2	3,600	1.29
336	Non-ferrous Foundries	697	30.9	2,955	1.81
385	Opthalmic Goods	396	18.3	2,561	3.51
274	Miscellaneous Publishing	293	15.7	2,154	1.59

Source: Minnesota Department of Jobs and Training, ES-202 Data. U.S. Bureau of Labor Statistics, Supplement to Employment and Earnings, 1987.
*The location quotient measures geographic concentration. For example, a location quotient of 2.0 would mean that the industry in Minnesota has twice the share of employment it has across the United States.)
(Note: Due to disclosure restrictions at the state level and lack of detail at the national level, only those three-digit SIC industries on which information is available are included. Industries were selected using the following criteria: (1) employment level above 2,000, (2) employment change of 12 percent or more and (3) location quotient of at least 1.25.)

- The major key industries depicted are all large and growing, and more prevalent in Minnesota than in the United States.
- The designated key industries tend to cluster in a few groups: high-tech instruments and machinery, medical supplies and services, and printing/publishing.
- Employment in office and computing machines grew by 12,581 between 1977 and 1986, more than double the number in any other industry with the exception of nursing and personal care facilities, and offices of physicians.
- Of the 18 key industries, the fastest growing for the period was periodicals, which increased its employment by 162 percent.
- The fastest growing industries in Minnesota are not necessarily the smallest; the six largest had growth of more than 30 percent between 1977 and 1986.
- The three key industries most concentrated in Minnesota are ordnance and accessories, with employment nine times the U.S. average; and office and computing machines and engineering and scientific instruments, with employment five times as prevalent here.

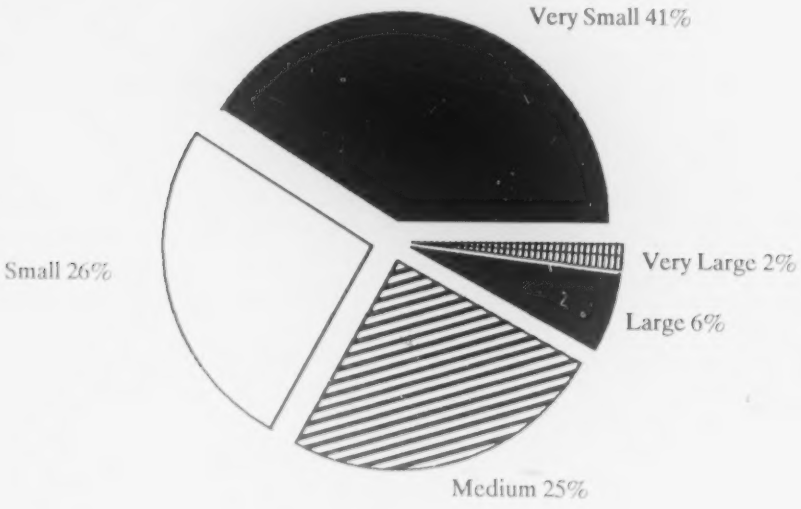
TABLE 3.7 TOTAL EARNINGS AND PERCENT DISTRIBUTION BY INDUSTRY GROUP, 1977 AND 1987

	Earnings (Millions)		*Percent Distribution*			
			Minnesota		*U.S.*	
Industry Group	*Minnesota 1987*	*U.S. 1987*	*1977*	*1987*	*1977*	*1987*
Agriculture	$203	$13,875	8.1%	0.4%	2.7%	0.5%
Mining	379	37,778	1.1	0.7	1.5	1.3
Construction	3,295	178,234	6.1	6.2	5.9	6.3
Manufacturing	11,766	573,490	23.8	22.2	26.2	20.4
Transportation/Communications/Utilities	3,609	192,373	7.8	6.8	7.6	6.8
Wholesale Trade	3,746	176,736	8.0	7.1	6.5	6.3
Retail Trade	4,956	272,039	10.3	9.4	10.2	9.7
Finance/Insurance/Real Estate	3,632	213,310	5.5	6.9	5.6	7.6
Services	10,846	659,315	14.9	20.5	16.5	23.4
Government	7,021	443,138	14.5	13.3	17.3	15.7
ALL INDUSTRIES	52,953	2,816,393				

Source: U.S. Bureau of Economic Analysis, Quarterly Personal Income by Major Source and Earnings by Industry, REIS, April 1988.
(Note: Earnings is that portion of personal income generated by wages and salaries measured on an industry-by-industry basis.)

- Manufacturing commands the largest share of industry earnings in Minnesota, while the service industry tops the nation's share of industry earnings.
- From 1977 to 1987, the state's share of earnings derived from manufacturing slightly declined by 5 percent while the nation's shrank by almost 22 percent. Minnesota has a greater proportion of its earnings from this sector than the United States.
- The share of earnings from agriculture has declined considerably in recent years in both Minnesota and the nation as a whole.
- Mining, which includes oil, gas, coal and minerals, as well as iron ore, adds a lower share of earnings in Minnesota than in the nation.
- Both services and government represent a smaller share of total earnings in Minnesota than in the United States.
- The service sector's share of income has increased fastest of all industries during the nine-year period.

TABLE 3.8 PERCENT DISTRIBUTION OF MINNESOTA BUSINESSES BY GROSS SALES, 1986

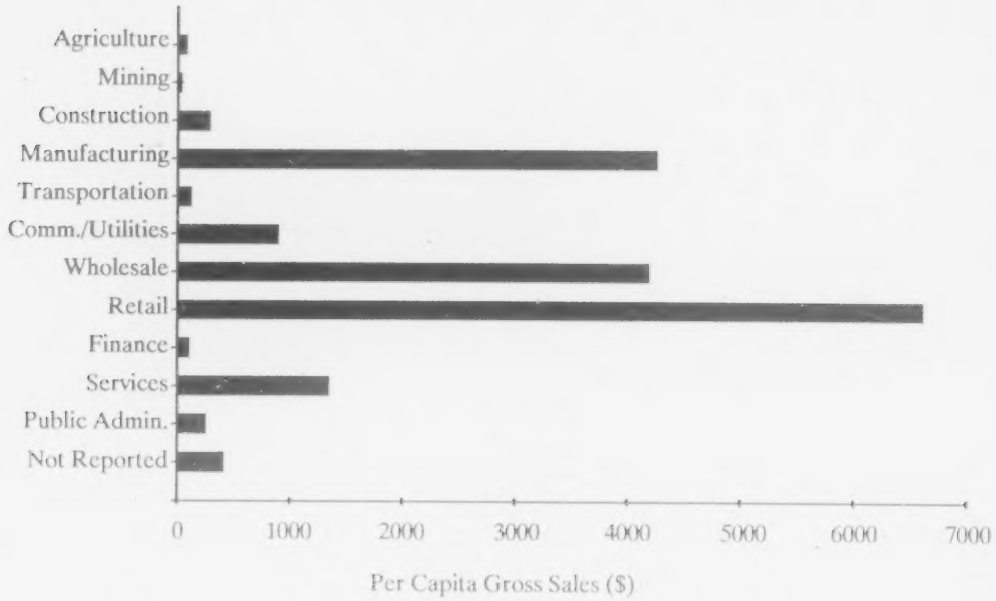


Size Class	*Level Of Gross Sales*	*Number Of Establishments*	*Percent Distribution*
Very Small	Less Than $10,000	49,227	41.0%
Small	$10,000 to $99,999	31,217	26.0
Medium	$100,000 to $999,999	30,017	25.0
Large	$1,000,000 to $4,999,999	7,204	6.0
Very Large	Greater Than $5,000,000	2,401	2.0
ALL ESTABLISHMENTS		120,066	100.0

Source: Minnesota Sales and Use Tax, Annual Report, 1986, Bulletin No. 32. MN Department of Revenue.

- According to the 1986 sales tax receipts, there are 120,066 business establishments in Minnesota.
- The greatest number of Minnesota businesses are small, with annual gross sales of less than $10,000. This size class represents 41 percent of all businesses in Minnesota.
- Two-thirds of all business establishments in Minnesota have gross sales of less than $100,000.
- Less than 10 percent of all Minnesota businesses fall into the category of sales greater than $1,000,000.

TABLE 3.9 PER CAPITA GROSS SALES BY MAJOR INDUSTRY GROUP, 1986



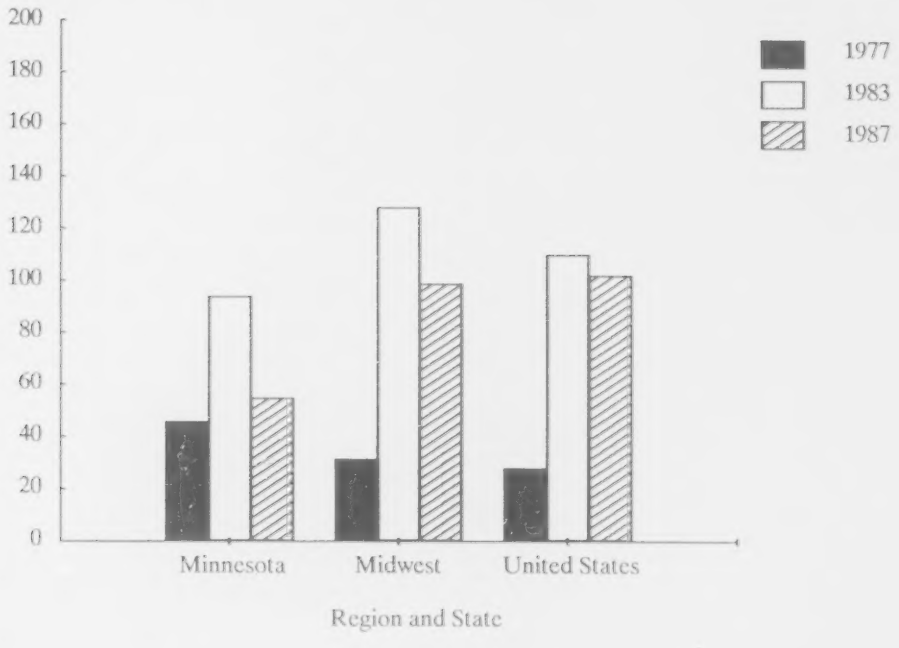
Major Industry Group	*Gross Sales*	*Per Capita Gross Sales*	*Number Of Establishments*
Agriculture	$358,959,711	$85.18	1,751
Mining	124,594,218	29.57	98
Construction	1,284,983,523	304.93	3,390
Manufacturing	18,736,305,515	4,446.19	7,141
Transportation	568,741,142	134.96	2,819
Communications and Utilities	4,059,049,710	963.23	1,176
Wholesale Trade	17,371,431,204	4,122.30	7,050
Retail Trade	29,443,044,716	6,986.94	59,933
Finance	395,257,563	93.80	1,168
Services	6,109,323,476	1,449.76	31,018
Public Administration	974,205,226	231.18	801
Not Reported	1,265,882,622	300.40	3,721
TOTAL (ALL INDUSTRIES)	80,691,778,626		120,066

POPULATION (1986) = 4.214MM

Source: Minnesota Sales and Use Tax, Annual Report, 1986, Bulletin No. 32, MN Department of Revenue.

- The retail trade industry, which has the greatest number of establishments in the state, showed the highest per capita gross sales.
- The manufacturing and wholesale trade sectors have the second and third highest per capita sales.
- In 1986, the mining industry had the lowest per capita gross sales.
- While the service industry represents 30 percent of the total number of establishments, its per capita gross sales are small compared to manufacturing and wholesale trade industries.

TABLE 3.10 BUSINESS FAILURES PER 10,000 ESTABLISHMENTS, 1977 TO 1987



	Business Failures per 10,00 Establishments				*Number of Failures*
Region and State	*1977*	*1983*	*1986*	*1987*	*1987*
Minnesota	**45.8**	**94.0**	**60.0**	**55**	**685**
Midwest	31.5	128.1	113.2	99	14,814
United States	28.0	110.0	120.0	102	61,209

Source: Statistical Abstract of the United States, 1987, Dun and Bradstreet Corporation, Monthly Business Failure,Volume 29, No. 12, December 1987 and Failure Record, 1985-86.
(Note: 1987 figures are preliminary.)

- The 1987 business failure rate for industrial and commercial businesses was lower in Minnesota than either the United States or the Midwest region, a reversal of the 1977 failure record.
- Minnesota business failure rate per 10,000 establishments was 46 percent below the U.S. failure record in 1987.
- While the pattern of business failures in the industrial Midwest was mixed, the region had an overall failure rate lower than the U.S. average in 1987.
- The actual number of business failures increased across the nation during the 10-year period.

TABLE 3.11 NUMBER OF LARGE CORPORATE HEADQUARTERS PER MILLION RESIDENTS, 1986

State and Region	*Total Corporate Headquarters*	*Number Of Corporate Headquarters Per Million Residents*
UNITED STATES (AVG.)	16	2.7
WEST NORTH CENTRAL		
Minnesota	**21**	**5.0**
Missouri	23	4.6
Nebraska	4	2.5
Kansas	4	1.6
Iowa	4	1.4
North Dakota	0	0.0
South Dakota	0	0.0
EAST NORTH CENTRAL		
Illinois	58	5.0
Ohio	50	4.7
Michigan	25	2.8
Wisconsin	10	2.1
Indiana	9	1.6

Source: State Policy Data Book, 1987, The Forbes 500 Nineteenth Annual Directory, 1987.

- Minnesota is the headquarters site of 21 corporations (publicly owned) that are among the Forbes top 500 nationally in terms of gross sales. To qualify among the top 500, a firm needed gross revenues of at least $1.25 billion.
- Minnesota ranks fifth in the number of large corporate headquarters per million residents, surpassed only by Delaware, Connecticut, New York and Illinois.
- Large corporations cluster in a few centers: only 22 states exceed the national average of 2.7 headquarters per million residents.
- Eight states do not contain a single large corporate headquarters including two of Minnesota's four neighbors, North Dakota and South Dakota.

TABLE 3.12 MINNESOTA FIRMS AMONG THE NATION'S TOP 500, 1987

Company	Assets (Milions)	Rank	Sales (Millions)	Rank	Market Value (Millions)	Rank	Net Profits (Millions)	Rank
PUBLICLY OWNED:								
Dayton Hudson	$6,076	241	$10,677	50	$2,370	194	$228.4	183
3M	8,031	192	9,429	63	14,645	18	918.0	30
Super Valu Stores	2,083		9,406	64	1,335	346	108.6	352
Honeywell	5,285	283	6,679	108	2,291	204	253.7	158
Pillsbury	4,235	346	6,198	116	3,007	153	209.4	194
General Mills	2,566		5,549	133	4,392	104	249.8	164
Northwest Airlines	4,219	347	5,142	141	1,059	420	103.0	368
Control Data	2,639	499	3,367	226	902	476	25.0	
St. Paul Companies	8,399	186	3,366	227	2,130	226	318.8	126
First Bank System	26,850	51	2,481	309	1,241	367	49.6	
George A. Hormel & Co.	704		2,428	318	824		53.7	
Norwest	20,747	74	2,298	331	1,094	405	(29.8)	
Nash Finch	352		1,919	385	201		18.5	
Northern States Power	4,401	331	1,770	410	1,853	262	204.9	202
International Multifoods	818		1,617	439	389		63.7	499
Northwestern National Life Ins.	4,561	319	1,305		256		38.0	
Deluxe Check Printers	866		948		2,073	235	148.5	286
Cray Research	902		687		2,176	222	147.1	291
Medtronic	590		608		1,240	368	83.6	429
TCF Banking and Savings FA	5,858	252	570		49		(67.7)	
Minnesota Power	1,412		426		580		70.0	480
PRIVATELY OWNED:								
Cargill Inc.			32,000		(Agricultural commodities)			
Carlson Co. Inc.			3,125		(Business incentives: travel)			

Sources: *Forbes*, The Forbes 500 Annual Directory, April 25, 1988; *Fortune*, The Service 500, June 1987; *Corporate Report Minnesota*, December 1986.

- Twenty-one Minnesota firms (publicly owned) were among the nation's top Forbes 500 that qualified in terms of one or more of the following yardsticks: gross sales, assets, market value and net profits. Seven companies made all four yardsticks, and eight are in the list of the Fortune Service 500.
- Two privately owned firms with gross revenues in excess of $1.25 billion in 1986 are also included among the nation's top businesses.
- Minnesota's top corporations are involved in a varied group of industries: agriculture, manufacturing, transportation and utilities, trade, finance/insurance and services.
- Thirty-five percent of Minnesota firms with sales in excess of $1.25 billion are heavily involved in commodity food processing and food distribution (wholesale).
- Large corporations based in Minnesota range in scope from international giants to nationally known companies to those that serve regional markets.
- All of the 23 companies listed have their headquarters in the Twin Cities metropolitan area.

BASIC INDUSTRIES
4

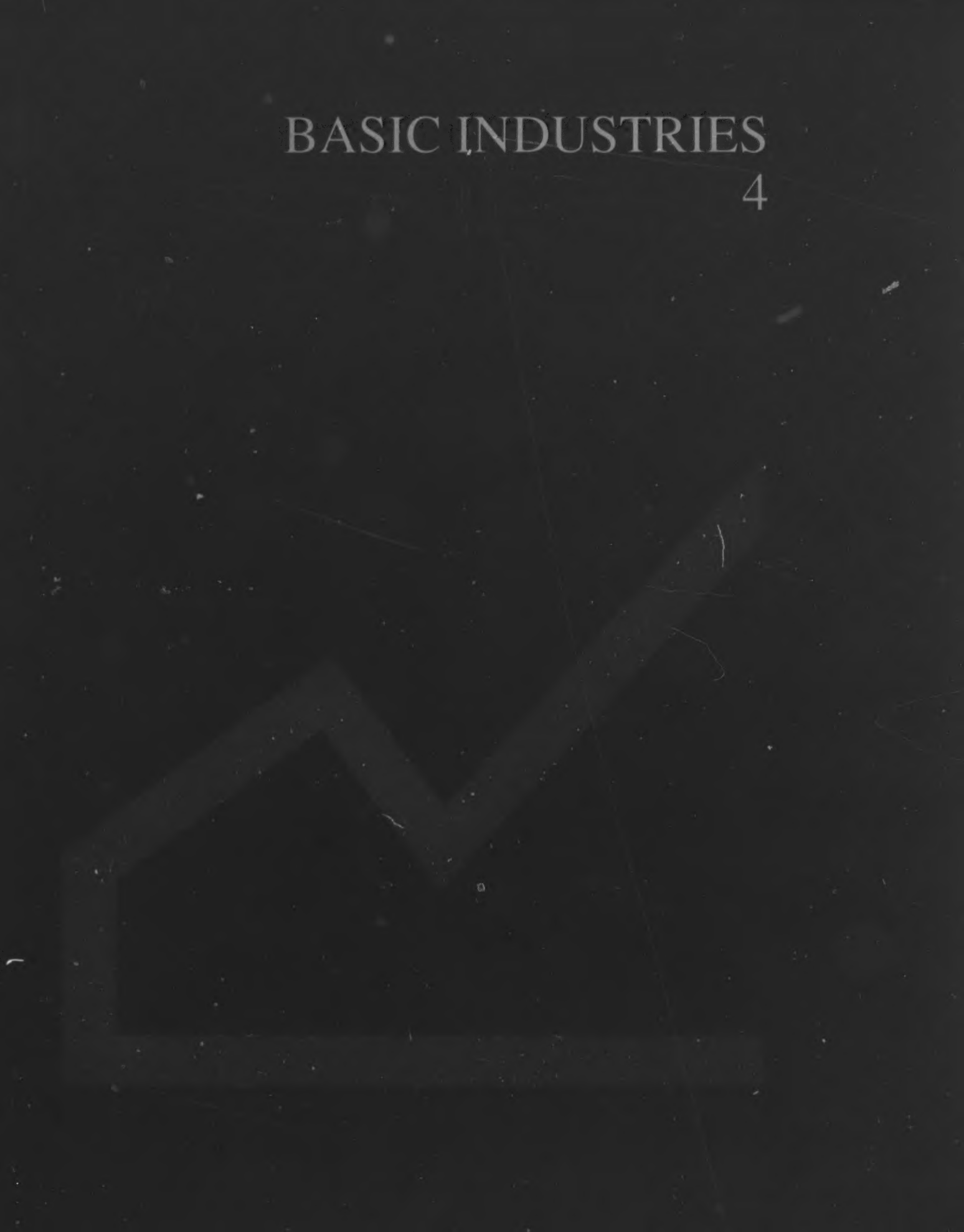


TABLE 4.1 MANUFACTURER'S VALUE ADDED BY INDUSTRY, 1985

MN Rank	*SIC*	*Industry*	*Value-added (Millions) MN*	*Percent of Total MN*	*Percent of Total U.S.*	*U.S. Rank*
1	35	Computers and Non-electric Machinery	$4,629.6	23.9	11.0	2
2	20	Food and Kindred Products	2,576.0	13.3	10.4	4
3	27	Printing and Publishing	1,807.1	9.3	7.3	6
4	34	Fabricated Metals	1,626.3	8.4	6.9	7
5	36	Electrical Machinery	1,579.7	8.1	11.0	3
6	26	Paper and Allied Products	1,207.8	6.2	4.0	8
7	38	Scientific Instruments	1,122.6	5.8	4.0	9
8	37	Transportation Equipment	879.5	4.5	12.1	1
9	32	Stone, Clay and Glass	849.2	4.4	2.9	12
10	30	Rubber and Plastics	700.9	3.6	3.6	11
11	24	Lumber and Wood Products	643.1	3.3	2.1	14
12	28	Chemicals and Allied Products	619.1	3.2	9.5	5
13	33	Primary Metals	241.8	1.2	3.8	10
14	25	Furniture and Fixtures	165.2	0.9	1.6	17
15	39	Miscellaneous Manufacturing	122.5	0.6	1.4	18
16	22	Textile Mill Products	65.6	0.3	2.1	15
17	31	Leather Products	51.3	0.3	0.4	20
18	23	Apparel	(D)	(D)	2.8	13
19	29	Petroleum and Coal Products	(D)	(D)	1.7	16
20	21	Tobacco	(D)	(D)	1.2	19
		All Manufacturing	19,397.0	97.3	100.0	

Source: U.S. Department of Commerce, Bureau of Census, 1985 Annual Survey of Manufacturers, Geographic Area Statistics and Statistics for Industry Groups and Industries.
(Note: D = non-disclosable due to firm confidentiality restrictions. Value added by manufacture is the value of shipments for products manufactured less the cost of materials, supplies, containers, fuel, purchased electricity and contract work plus receipts for services rendered. The result is then adjusted by the addition of value added by merchandising operations, i.e., the difference between the sales value and cost of merchandise sold without further processing, plus the net change in finished goods and work-in-process inventories.)

- In Minnesota, the top four industries account for more than half of the total value-added in manufacturing.
- In terms of value-added, the largest manufacturing industry in Minnesota is computers and non-electrical machinery. The state derives almost twice as much of its total manufacturing value from this source as the United States.
- Food and kindred products, fabricated metals, printing and publishing, paper and allied products and scientific instruments constitute other large Minnesota industries that contribute a larger share to the total value-added than their national counterparts.
- Transportation equipment, electrical machinery, chemicals and allied products and primary metals rank among the largest manufacturing industries nationally, but are comparatively small in Minnesota.
- The relative contributions of apparel, petroleum and tobacco are unknown due to disclosure restrictions. Their combined share of Minnesota value-added is only 2.63 percent compared to the national figure of 5.7 percent.

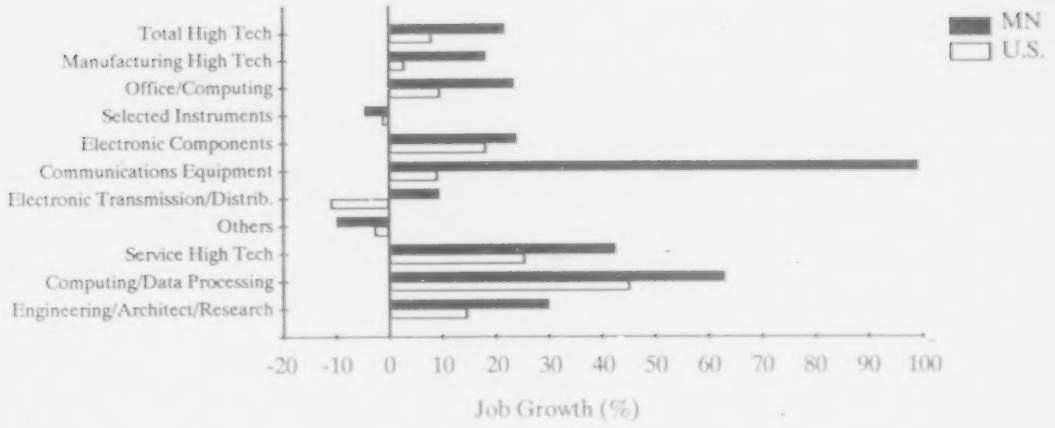
TABLE 4.2 PRODUCTION WORKERS AS A PERCENT OF MANUFACTURING EMPLOYMENT, 1986

SIC	*Industry*	*Minnesota*	*U.S.*
20	Food and Kindred Products	72.1%	70.3%
22	Textile Mill Products	73.8	86.5
23	Apparel	85.5	84.4
24	Lumber and Wood Products	79.2	83.9
25	Furniture and Fixtures	79.0	80.1
26	Paper and Allied Products	63.3	75.9
27	Printing and Publishing	64.5	55.7
28	Chemicals and Allied Products	54.4	55.7
29	Petroleum and Coal Products	77.7	62.7
30/31	Rubber, Plastics and Leather	76.8	78.7
32	Stone, Clay and Glass	79.2	77.1
33	Primary Metals	77.1	75.3
34	Fabricated Metals	52.5	73.9
35	Computers and Non-electrical Machinery	50.7	59.7
36	Electrical Machinery	67.7	57.6
37	Transportation Equipment	74.4	62.6
38	Scientific Instruments	45.6	54.2
39	Miscellaneous Manufacturing	72.8	72.6
	All Manufacturing Industries	62.0	67.9

Source: Minnesota Department of Jobs and Training, CES-790 Program Data, U.S. Bureau of Labor Statistics, Employment and Earnings, 1987.
(Note: Production workers include workers (up through the line supervisor level) engaged in production operations at the establishment.)

- In Minnesota only 62 percent of manufacturing employees are production workers compared to 68 percent in the United States.
- Minnesota's lower proportion of production workers means that the state's manufacturers use a greater share of other occupations (managerial, professional, technical, clerical and sales), implying a higher than average preponderance of research facilities and corporate headquarters.
- Minnesota exhibits a lower proportion of production workers than the United States in nine of the 18 manufacturing industries.
- Four industries stand out as having very low proportions of production workers compared with the U. S. average: scientific instruments, computers and non-electrical machinery, fabricated metals, and chemicals and allied products.
- Five major corporations with headquarters in the state and in the top Forbes 500 have relatively low shares of production workers: 3M and Honeywell – for scientific instruments; Control Data Corporation, Cray Research Inc. and Medtronic Inc. – for computers and non-electrical machinery.

TABLE 4.3 PERCENT CHANGE IN HIGH TECHNOLOGY EMPLOYMENT BY INDUSTRY, 1982 TO 1985

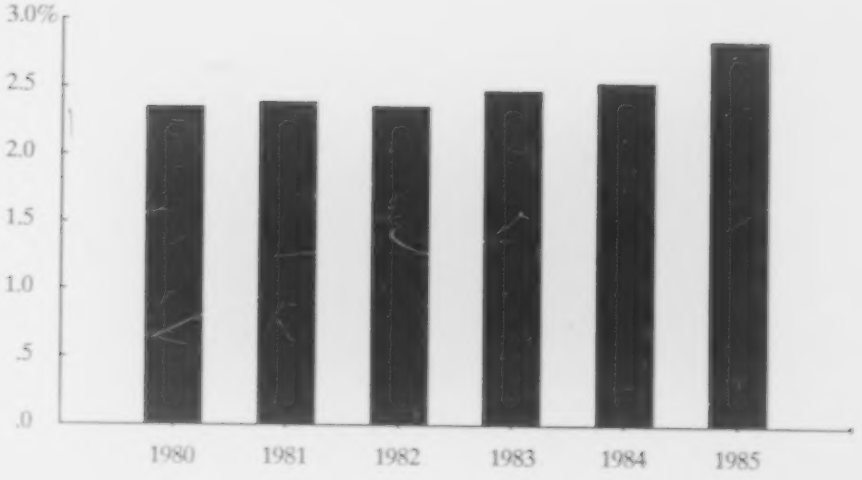


SIC	*Industry*	*1985 MN High-tech Employment*	*Percent Change MN*	*U.S.*
	Total Employees (High Tech)	109,139	21.8%	8.0%
	Manufacturing High Tech:	89,865	18.2	3.0
357	Office and Computing Machines	42,764	23.5	9.7
38	Selected Instruments	18,851	-4.5	-1.3
367	Electronic Components	10,733	24.0	18.2
366	Communications Equipment	8,398	99.2	9.1
361/362	Electronic Transmission/Distribution	6,694	9.4	-11.0
	Others	2,425	-9.8	-2.7
	Service High Tech:	19,274	42.5	25.5
737	Computing/Data Processing	8,415	63.0	45.2
891/892	Engineering/Architectural/ Research Organizations	10,859	29.9	14.7

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987.
(Note: Others include SIC 281, 282, 283, 351 and 372.)

- More than four out of five Minnesota high-tech jobs in 1985 were in the state's manufacturing industries, while the rest were in three service industries that are considered high tech.
- Service jobs are still a relatively small component of the state's total high-tech labor force. However, job growth in this sector has risen by 42.5 percent since 1982 compared with an 18.2 percent rise in Minnesota's high-tech manufacturing jobs.
- Nationally, high-tech service employment has grown by 25.5 percent between 1982 and 1985, while the manufacturing jobs have increased by only 3 percent.
- Nearly half of the state's high-tech jobs were in the office and computing machines industry (SIC 357). Employment in this sector grew by 23.5 percent in the 1982-85 period.
- In 1985, almost 10 percent of this industry's national labor force was based in Minnesota.

TABLE 4.4 MINNESOTA HIGH TECH EMPLOYMENT, 1980 TO 1985



Years:	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Minnesota	78,300	81,637	79,305	87,912	97,207	109,139
Share of U.S. Employment (%)	2.35	2.39	2.36	2.48	2.54	2.85
United States (Thousands)	3,331	3,413	3,355	3,547	3,821	3,823

Source: U.S. Department of Labor, Bureau of Labor Statistics, 1987; U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987.
(Note: The U.S. Department of Commerce definition of "high-tech" is used here and elsewhere in the publication. Industries (by SIC) included in this high-tech definition are listed in Table 4.10.)

- Minnesota ranks 13th among all states in total employment in high-tech industries.
- In 1985, 109,139 jobs were classified as being in the high-tech industries in Minnesota. This is a 39.4 percent increase from the 1980 level of 87,300 jobs, almost 2.5 times the 14.7 percent national increase in such high-tech jobs.
- In 1980, Minnesota's share of the nation's high-tech jobs was 2.35 percent; by 1985, this share had risen to 2.85 percent.
- Companies involved in office and computing systems, instruments, telecommunications equipment, electronic control equipment, computer peripherals, component parts and related equipment predominate among the largest group of high-tech industries.

TABLE 4.5 TOP 15 MINNESOTA-BASED HIGH TECH 100, 1986

Company	*Revenue (Thousands)*	*Description*
3M Company	$7,846,000	Tele/data-communications equipment
Honeywell Inc.	6,624,600	Computers and electronic control equip.
Control Data Corporation	3,679,700	Computers and data storage devices
Cray Research Inc.	380,158	Large-scale scientific computers
Medtronic Inc.	363,900	Medical devices, e.g., pacemakers
National Computer Sys. Inc.	215,803	Optical mark reading systems
Graco Inc.	208,325	Fluid materials systems
CPT Corporation	149,301	Office automation systems
Krelitz Industries Inc.	140,442	Mgmt. system and health care systems
ADC Telecomm. Inc.	124,883	Electro-mech/electronic products
Data Card Corporation	109,801	Plastic card encoding systems
Micro Component Tech.	100,324	Micro-integrated circuits
MTS Systems Corporation	95,879	Manufacturing processes automation
Lee Data Corporation	91,050	Computer network systems
Network Systems Corp.	90,084	Data communication products

Source: *Corporate Report Minnesota*, "High Tech 100," September 1986.

- Minnesota High Tech 100 is a varied group. Companies involved in computers and related equipment predominate among the high tech; medical technology companies form the next largest group, followed by software.

- Most of the high-tech companies are small to medium in size. About 19 companies had revenues of $50 million or more.

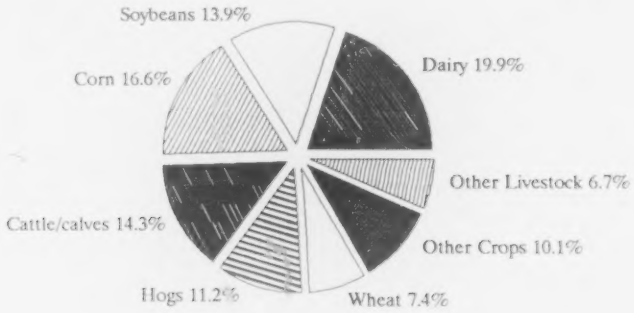
- Compared to last year, about 74 percent of the companies reported increases in revenues, 21 percent reported declines and 5 percent reported no change.

- High-tech employment is down from last year, especially for the "Big Three" – 3M, Honeywell and Control Data Corporation. However, not all of these lost jobs were Minnesota jobs because of the multinational operation of these firms.

- The jobs lost were not necessarily high-tech jobs. There are many divisions in each of the three major companies, not all of them involving high-tech work.

- Publicly held companies form the majority of Minnesota top high-tech firms; 64 of the top 100 are public, and 36 are private.

TABLE 4.6 DISTRIBUTION OF MINNESOTA CASH RECEIPTS FROM FARM MARKETING, 1985



Total Farm Cash Receipts = $6.5 Billion

Product	*Cash Receipts (Dollars)*	*Percent of Total*	*U.S. Rank*
Major Products/Crops and Livestock:	$5,382,237	83.1%	
Dairy Prods.	1,285,735	19.8	2
Soybeans	898,479	13.9	4
Corn	1,072,472	16.6	4
Cattle/calves	926,225	14.3	10
Hogs	721,367	11.1	3
Wheat	477,959	7.4	8
Other Crops:	$652,633	10.1	
Sugar beets	153,636	2.4	1
Barley	129,581	2.0	4
Potatoes	65,234	1.0	9
Hay	47,453	0.7	2
Oats	45,231	0.7	3
Sweet corn	40,614	0.6	1
Sunflowers	24,648	0.5	3
Others	146,236	2.4	
Other Livestock:	$436,770	6.7	
Turkeys	250,772	3.9	2
Eggs	83,125	1.3	11
Chickens	41,386	0.6	11
Others	61,487	1.0	8
Total All Crops And Livestock:	$6,471,670	100.0	6

Source: Minnesota Agriculture Statistics, July 1987.

- Minnesota ranks sixth among the 50 states in overall gross sales of agricultural products.
- Six major agricultural products constitute 83 percent of total farm sales. In order of receipts, they are dairy, corn, cattle/calves, soybeans, hogs and wheat.
- Minnesota ranks high in the production of other agricultural goods including turkeys, sugar beets, barley, eggs, potatoes, hay, oats, chickens, sunflowers and sweet corn for processing.
- There are 18 agricultural goods for which Minnesota is one of the top 10 producers nationwide.

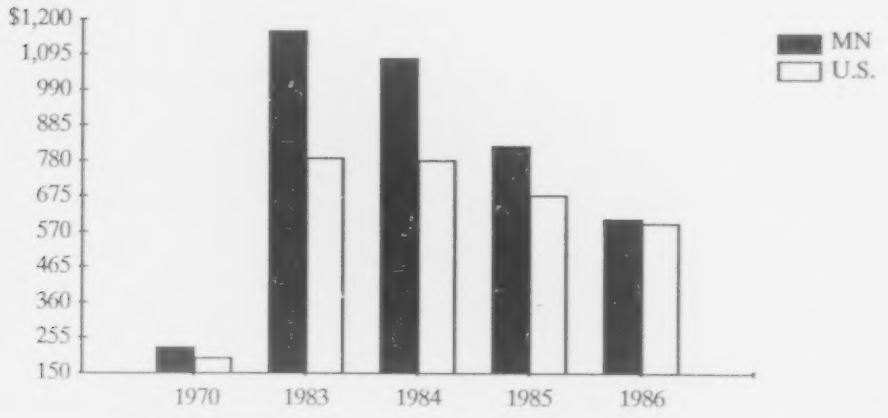
TABLE 4.7 AGRICULTURAL FOREIGN EXPORTS AS A PERCENT OF TOTAL FARM CASH RECEIPTS, 1986

State	Farm Cash Receipts (Millions)	Agric. Foreign Exports (Millions)	Exports Percent of Cash Receipt	State	Farm Cash Receipts (Millions)	Agric. Foreign Exports (Millions)	Exports Percent of Cash Receipts
North Dakota	$2,134	$1,007	47.2%	Virginia	$1,509	$218	14.5%
Illinois	6,645	2,153	32.4	Arizona	1,401	192	13.7
Kansas	5,283	1,539	29.1	Alabama	1,945	237	12.2
Kentucky	2,418	670	27.7	Oregon	1,706	193	11.3
Ohio	3,528	975	27.6	Wisconsin	5,002	547	10.9
Indiana	3,995	1,095	27.4	Maryland	1,203	119	9.9
Missouri	3,508	910	26.0	Florida	4,691	404	8.6
Arkansas	2,873	717	24.9	Connecticut	374	28	7.6
Mississippi	1,747	417	23.8	Utah	544	40	7.3
South Carolina	880	207	23.5	Montana	1,234	89	7.2
North Carolina	3,686	866	23.5	New York	2,510	179	7.1
Iowa	8,844	2,059	23.3	New Jersey	590	42	7.0
Nebraska	6,790	1,504	22.2	Delaware	538	37	7.0
Minnesota	**5,857**	**1,269**	**21.7**	Pennsylvania	3,069	169	5.5
Louisiana	1,362	282	20.7	Hawaii	580	31	5.3
South Dakota	2,629	537	20.4	Massachusetts	416	15	3.6
Michigan	2,642	474	17.9	New Mexico	1,018	36	3.6
California	13,938	2,409	17.3	Wyoming	588	20	3.4
Washington	2,618	444	17.0	Maine	381	8	2.2
Texas	8,594	1,450	16.9	West Virginia	251	5	1.8
Colorado	2,922	461	15.8	Nevada	217	3	1.2
Idaho	1,836	268	14.6	Vermont	388	4	1.0
Oklahoma	2,438	354	14.5	New Hampshire	108	0	0.0
Georgia	3,176	460	14.5	Alaska	29	0	0.0
Tennessee	1,833	265	14.5	Rhode Island	77	0	0.0
Total United States	$132,544	$26,325	19.9%				

Source: U.S. Department of Agriculture, Economic Research Service, Foreign Agricultural Trade of the United States, 1987.

- Based on Minnesota's farm output, the state's agricultural exports totaled $1.27 billion in 1986 versus $1.65 billion in 1985.
- Minnesota ranks 14th among all states in its share of farm output to foreign markets, slightly above the national average.
- Minnesota is among the top 10 states in the dollar volume of agricultural exports.
- The major agricultural commodities exported from Minnesota are (in order of value) soybeans and products, feed grains, wheat and wheat products, dairy products, and feeds and fodders.
- States that obtain a high proportion of their farm cash receipts from international marketing tend to concentrate in one or more of the top five export crops: corn, soybeans, wheat, cotton and tobacco.

TABLE 4.8 FARM REAL ESTATE: AVERAGE VALUE PER ACRE OF LAND AND BUILDINGS, 1970 TO 1986

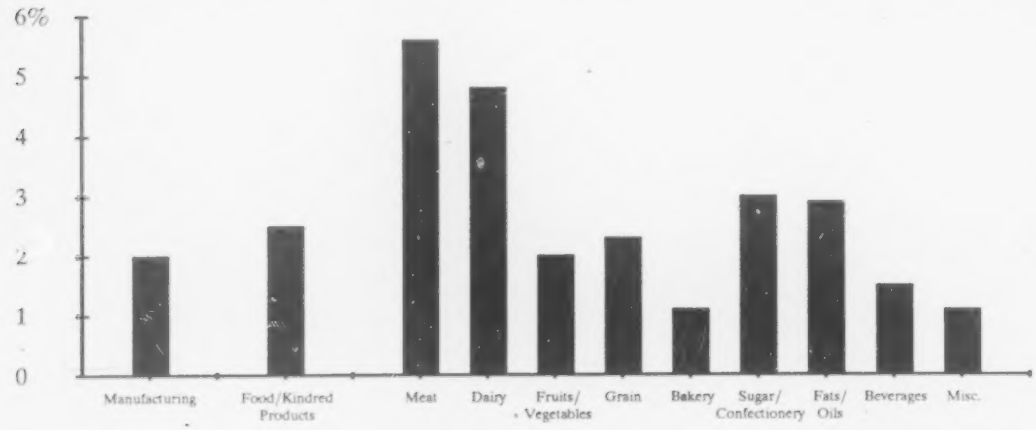


Midwestern States	*1970*	*1983*	*1984*	*1985*	*1986*
United States Average	$196	$788	$782	$679	$596
West North Central					
Minnesota	**226**	**1,165**	**1,083**	**823**	**609**
North Dakota	94	439	439	360	317
South Dakota	84	348	338	250	215
Iowa	392	1,684	1,499	1,064	841
Nebraska	154	701	617	444	364
Kansas	159	601	583	466	387
Missouri	224	856	856	659	606
East North Central					
Wisconsin	232	1,113	1,046	847	711
Ohio	399	1,504	1,444	1,126	1,013
Indiana	406	1,610	1,594	1,259	1,058
Michigan	326	1,223	1,223	1,052	936
Illinois	490	1,837	1,800	1,314	1,143

Source: U.S. Department of Agriculture, Economic Research Service, Agricultural Statistics, 1986.

- The average value of farm land and buildings in Minnesota peaked in 1983 at $1,165 per acre.
- Among its neighboring states, Minnesota ranks next to Iowa and Wisconsin in the value of farm real estate. South Dakota and North Dakota have the lowest average value of farm land in the Midwest region.
- Since 1983, the value of Minnesota farm real estate has declined. The average value in 1986 was $609 per acre.
- While the average value per acre of farm land and buildings declined across the country, the average value in Minnesota was 2 percent higher than the average of the 48 states in 1986.

TABLE 4.9 VALUE ADDED IN THE MANUFACTURE OF AGRICULTURAL PRODUCTS – MINNESOTA AS A PERCENT OF THE UNITED STATES BY INDUSTRY, 1984



Agricultural Products

SIC	Industry	Value Added Minnesota (Millions)	Value Added U.S. (Millions)	MN as a Percent of U.S.
20	Food and Kindred Products	$2,498.0	$98,037.4	2.5%
201	Meat Products	660.0	11,825.9	5.6
202	Dairy Products	455.9	9,402.6	4.8
203	Fruits and Vegetables	283.5	14,142.1	2.0
204	Grain Mill Products	275.1	11,837.0	2.3
205	Bakery Products	131.2	11,765.7	1.1
206	Sugar and Confectionery Products	214.0	7,107.8	3.0
207	Fats and Oils	85.5	2,923.1	2.9
208	Beverages	272.5	18,288.4	1.5
209	Miscellaneous Food Products	120.5	10,744.8	1.1
	All Manufacturing	19,267.0	983,227.7	2.0

Source: U.S. Department of Commerce, Bureau of the Census, 1985 Annual Survey of Manufacturers, Statistics for Industry Groups.
(Note: Data for Minnesota are unpublished data from the U.S. Department of Commerce.)

- More than 13 percent of Minnesota's value-added in manufacturing stems from the conversion of agricultural commodities into food products.
- Minnesota accounts for 2.5 percent of the nation's value-added in food products.
- Minnesota produces a wide variety of foodstuffs, accounting for 2 percent or more of the nation's output in six of the nine industries.
- Minnesota's two largest food industries in both value-added and U.S. share are meat and dairy products.

TABLE 4.10 MINNESOTA IRON ORE PRODUCTION AS A PERCENT OF U.S. AND WORLD, 1981 TO 1986

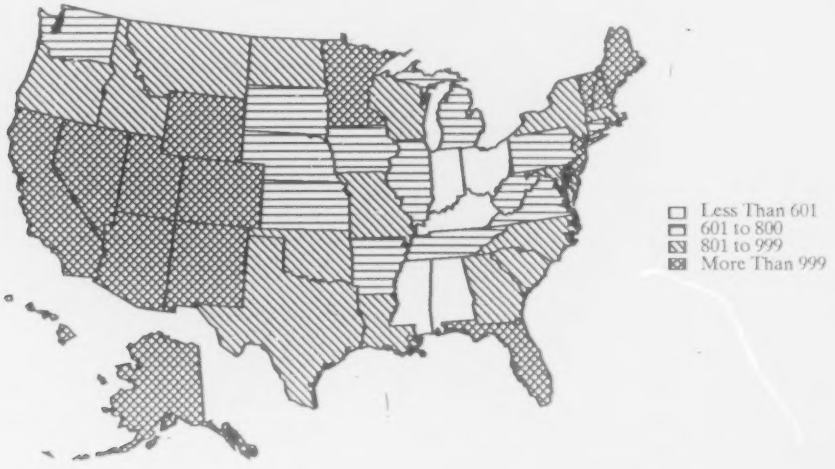
Iron Ore Production
(Thousands of Long Tons)

	1981	*1982*	*1983*	*1984*	*1985*	*1986*
Minnesota	51,025	23,898	26,255	36,697	34,910	27,005
Minnesota Percent of U. S.	69.7%	67.4%	69.9%	71.6%	71.6%	69.6%
Minnesota Percent of World	6.0%	3.1%	3.6%	4.5%	4.1%	3.2%
United States	73,174	35,433	37,562	51,269	48,751	38,825
World	844,606	768,011	726,399	817,428	845,251	847,775

Source: U.S. Bureau of Mines, Minerals Yearbook, 1986. U.S. Bureau of Mines, Mineral Commodity Summaries, 1988.

- Minnesota produced 70 percent of the national output of usable ore in 1986. This accounted for the bulk of the U.S. output with concentration of production in large-scale taconite operations of the Lake Superior District.
- Production of pellets totaled 36.4 million tons, equivalent to about 61 percent of installed production capacity of Minnesota's seven taconite plants.
- Minnesota's share of world iron ore production is about 3 percent.
- Work stoppages and a leveling off demand from the iron and steel industry in mid-year 1986 was largely responsible for the 25 percent decline in iron ore production from the 1985 level of 34.9 million tons.
- Similarly, the United States showed a 20 percent decline in iron ore production from the 1985 level of 48.8 million tons.
- While Minnesota and U.S. iron ore production declined in 1986, the rest of the world's iron ore production and trade were slightly higher as consumption stabilized in both Europe and Japan.

TABLE 4.11 PER CAPITA TOURISM EXPENDITURES FOR ALL TRIPS, 1984



State	Expenditure (Millions)	Per Capita	State	Expenditure (Millions)	Per Capita	State	Expenditure (Millions)	Per Capita
Nevada	$6,455	$7,039	Texas	$14,979	$931	Nebraska	$1,250	$779
Hawaii	2,517	2,427	North Dakota	628	914	Arkansas	1,821	776
Vermont	1,181	2,228	South Carolina	3,016	913	Connecticut	2,415	765
Alaska	899	1,780	Delaware	555	904	Kansas	1,729	709
Florida	17,645	1,597	Massachusetts	5,212	899	Tennessee	3,327	704
New Hampshire	1,502	1,536	New York	15,653	882	Pennsylvania	8,352	703
New Jersey	11,416	1,519	Montana	725	881	Michigan	6,273	693
Wyoming	778	1,517	Maryland	3,797	873	Illinois	7,754	673
Colorado	4,628	1,451	Oregon	2,297	858	West Virginia	1,270	651
Maine	1,531	1,324	North Carolina	5,246	851	Iowa	1,766	608
Arizona	3,836	1,249	Oklahoma	2,784	841	Ohio	6,420	598
New Mexico	1,724	1,209	Louisiana	3,731	836	Kentucky	2,222	597
Minnesota	**4,933**	**1,185**	Georgia	4,851	830	Indiana	2,770	504
California	29,012	1,125	Wisconsin	3,849	808	Mississippi	1,252	482
Utah	1,757	1,083	Washington	3,415	785	Rhode Island	429	446
Missouri	4,692	938	Virginia	4,418	784	Alabama	1,620	406
Idaho	934	935	South Dakota	551	782			
United States	222,955	943						

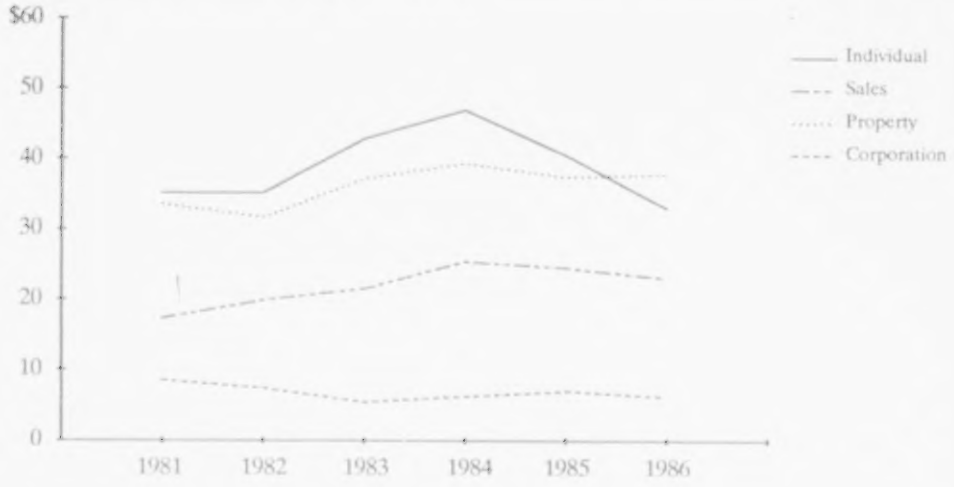
Source: U.S. Travel Data Center, June 1986.

- Minnesota ranks 13th among states in per capita tourism expenditures, with $1,185 spent annually for every citizen of the state.
- This figure represents a 23 percent increase from the 1981 per capita spending of $694.
- Minnesota is the only state in the North Central region with per capita tourism spending above the U.S. average.
- With per capita tourism spending higher than the national average, Minnesota's tourism industry constitutes a significant source of income.
- The highest ranking states have huge bodies of water, mountains, gambling casinos and warm weather as their main tourist attraction (e.g., Florida, Arizona, etc.).

GOVERNMENT

5

TABLE 5.1 MINNESOTA STATE AND LOCAL TAX COLLECTIONS PER $1,000 OF PERSONAL INCOME, 1981 TO 1986



Type of Tax	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*
Property Tax	$ 33.53	$ 31.57	$ 37.07	$ 39.30	$ 37.39	$ 37.73
Individual Income Tax	35.14	35.14	42.83	46.92	40.51	32.99
Sales Tax	17.28	19.85	21.48	25.34	24.46	23.01
Corporation Tax	8.53	7.38	5.5	6.19	6.95	6.22
TOTAL	119.41	119.24	132.21	143.85	134.36	122.36

Source: Minnesota Taxpayers Association, 1986 state-by-state rankings of state and local taxes.

- In 1986, total Minnesota state and local tax revenue per $1,000 of personal income was $122.36, down 15 percent from the 1984 level.
- Individual income tax collections per $1,000 personal income peaked in 1984. Since then, Minnesota's individual income tax has declined by almost 30 percent as a result of new individual income tax policies.
- Minnesota's three principal tax revenue sources, individual income tax, sales and excise tax, and corporation tax, all showed declines from the 1985 level.
- Property taxes, however, showed an increase of 1 percent from the previous year.

TABLE 5.2 SUMMARY OF MINNESOTA TAX REFORM, 1987

1. Increased Personal Exemption

1987	$1,900
1988	$1,950
1989	$2,000
beyond 1989	indexed to inflation

2. Increased Standard Deduction

1987	Single:	$2,540	Married:	$3,760
1988	Single:	$3,000	Married:	$5,000

3. Changed the Number of Tax Brackets

1987	Single:	$000 to $3,000	(4%)	Married:	Tax brackets ranged from 4% on the first $4,000 to 9% on the income over $21,000.
		$3,001 to $9,000	(6%)		
		$9,001 to $16,000	(8%)		
		over $16,000	(9%)		
1988	Single:	$000 to $13,000	(6%)	Married:	$000 to $19,000 (6%)
		over $13,000	(8%)		over $19,000 (8%)

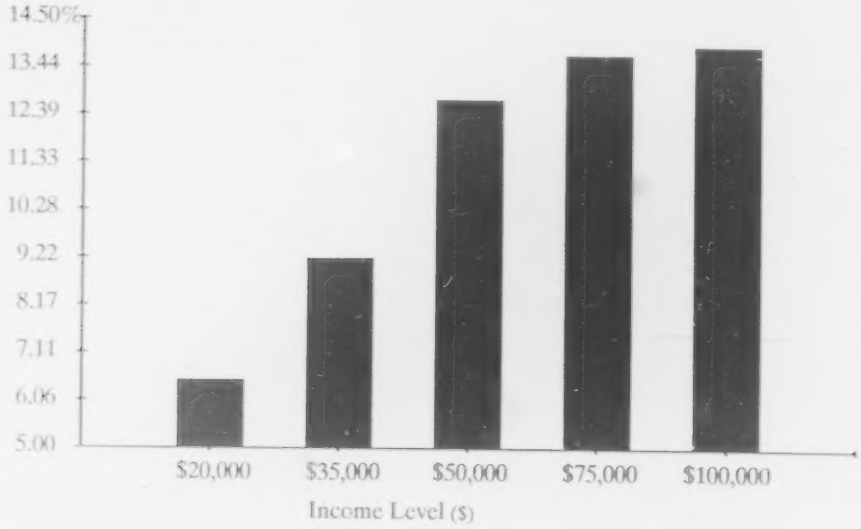
4. Lowered Top Tax Rates

Top marginal tax rate applied to high income level reduced from 14 percent in 1986 to 8 percent by 1988.

Source: Fiscal Survey of the States, September 1987, National Association of State Budget Officers.

- Minnesota has substantially raised personal exemptions and increased standard deductions, eliminating about 125,000 low income taxpayers from the state tax rolls.
- Increasing the base exemptions has mainly benefited the lower income taxpayers because it represented a larger share of their income.
- The number of tax brackets in Minnesota has been reduced from 16 to two.
- One of the major changes that has occurred as a result of tax reform is the substantial lowering of top marginal rates (rate applied to the highest income level); Minnesota reduced its rate from 14 to 8 percent.

TABLE 5.3 PERCENTAGE OF INCOME USED FOR PAYMENT OF MAJOR TAXES BY INCOME LEVEL FOR A FAMILY OF FOUR, 1986

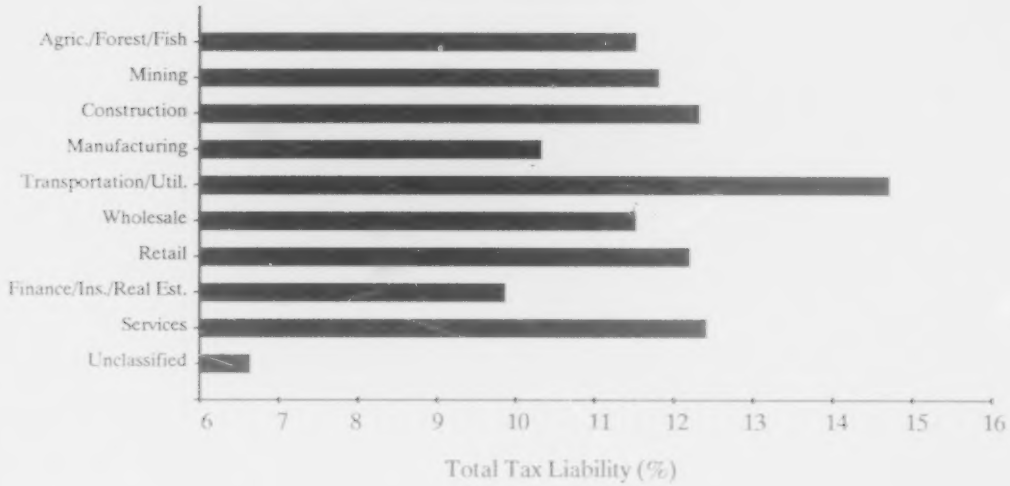


Income Level	*Percentage of Income Used for Payment of the Individual Income Tax Burden*	*Percentage of Income Used for Payment of Major State and Local Tax Burdens*
$20,000	1.7%	6.5%
$35,000	3.4	9.2
$50,000	3.8	12.7
$75,000	4.6	13.7
$100,000	5.2	13.9

Source: Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1987, Department of Finance and Revenue, District of Columbia. (Note: Major state and local taxes include income, property, sales and auto. Tax burdens were calculated for a hypothetical family that consists of two wage-earning spouses and two schoolchildren.)

- The percentage of income used for payment of the individual income tax burden ranges from a low of 1.7 percent for those with an income level of $20,000 to a high of 5.2 percent at the $100,000 income level.
- The total state and local tax burden for Minneapolis/St. Paul is 6.5 percent at the $20,000 income level. This is below the national average of 8.3 percent.
- Overall, Minnesota has a graduated rate of individual income tax, i.e., the percentage of tax liability rises with the income level, from 6.5 percent at the $20,000 income level to 13.9 percent at the $100,000 income level.
- The Minneapolis/St. Paul progressivity index is 0.468 (6.5%/13.9%).

TABLE 5.4 AVERAGE EFFECTIVE TAX RATES FOR CORPORATION INCOME IN MINNESOTA BY MAJOR INDUSTRY GROUP, 1986

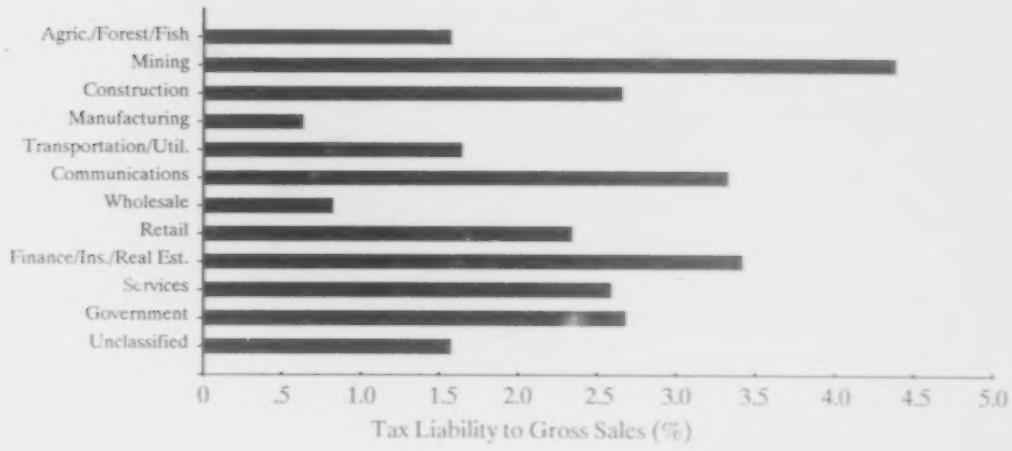


SIC Code	*Industry Group*	*Number of Firms*	*Total Liability as a Percent of MN Taxable Income*	*Regular Liability as a Percent of MN Taxable Income*
01 - 06	Agriculture, Forestry and Fishery	1,652	11.53%	8.99%
10 - 14	Mining	165	11.81	9.49
15 - 17	Construction	4,906	12.32	9.44
20 - 39	Manufacturing	6,129	10.32	8.92
40 - 49	Transport and Utilities	2,006	14.74	9.45
50 - 51	Wholesale Trade	4,827	11.52	9.40
52 - 59	Retail Trade	8,065	12.20	9.24
60 - 67	Finance, Insurance and Real Estate	7,746	9.86	8.33
70 - 89	Services	14,538	12.41	9.40
00	Unclassified	1,537	6.63	4.39
	TOTAL ALL INDUSTRIES	51,571	10.22	8.73

Source: Minnesota Department of Revenue, Tax Research Division, December 1987. (Effective corporate tax rate is defined to be tax liability as a percentage of Minnesota taxable income. Because of the existence of a corporate alternative minimum tax (AMT) in Minnesota, two sets of effective rates are provided; one uses "total liability" which includes the impact of the AMT, while the other uses only the "regular liability" and disregards the effect of the AMT.

- A total of 51,571 firms filed their corporation income taxes in Minnesota in fiscal year 1986.
- Using the "regular franchise tax liability," i.e., without the effect of the alternative minimum tax (AMT), the corporate effective tax rate among the major industry sectors is highest in the mining industry.
- Under the 1987 tax law, which included the impact of the AMT, the "total corporate franchise tax liability" is highest in the transportation and utilities sector.
- In both sets of effective rates, however, the corporate tax liability of the finance, insurance and real estate industry is lowest among all industry groups, and below the average effective tax rate for all industries.

TABLE 5.5 PERCENTAGE OF GROSS SALES AND TOTAL TAX LIABILITY ON MINNESOTA SALES AND USE TAX RETURNS BY MAJOR INDUSTRY, 1986

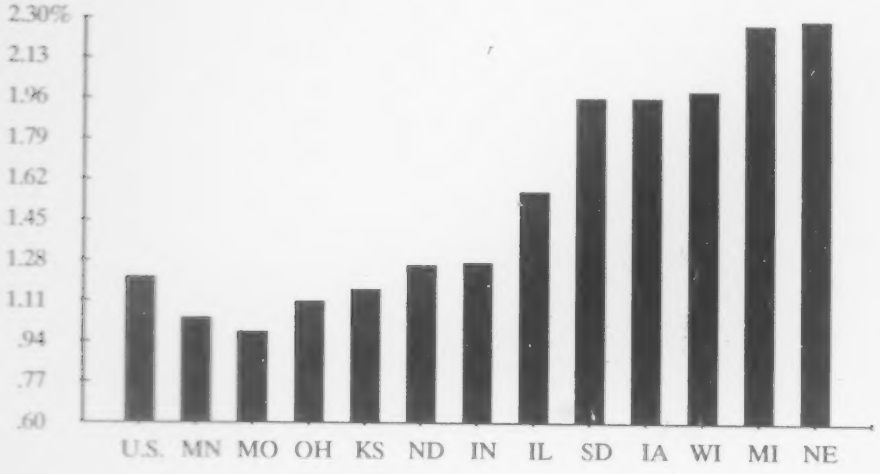


Major Industry	*Gross Sales*	*Tax Liability*	*Liability as a Percent of Gross Sales*	*Liability as a Percent of Total Tax*
Agriculture	$345,682,262	$5,418,069	1.57%	0.43%
Mining	124,302,782	5,458,751	4.39	0.43
Construction	1,113,176,712	29,583,815	2.66	2.35
Manufacturing	16,556,416,052	103,679,044	0.63	8.25
Transportation	513,016,592	8,436,413	1.64	0.67
Comm. and Utilities	3,961,678,152	131,777,173	3.33	10.48
Wholesale Trade	14,893,693,819	122,812,359	0.82	9.77
Retail Trade	28,126,724,188	657,696,234	2.34	52.30
Finance	314,163,691	10,743,489	3.42	0.85
Services	5,520,414,441	143,253,286	2.59	11.39
Government	949,485,702	25,436,871	2.68	2.02
Unclassified	840,693,149	13,169,452	1.57	1.05
TOTAL ALL INDUSTRIES	73,259,447,542	1,257,464,956	1.72	100.00

Source: Minnesota Sales and Use Tax, 1986, Annual Report, Bulletin No. 32, Minnesota Department of Revenue.

- With respect to gross sales, Minnesota's retail trade industry had the largest sales receipts among the major industries category in 1986.
- The mining industry, which had a tax liability to gross sales figure of 4.39 percent in 1986, paid the highest tax liability in relation to its gross sales.
- Among the major industry groups, 0.63 percent of the gross receipts in the manufacturing sector went to sales and use tax.
- Considering the total amount of tax liability paid by all industries, more than half of the state's total sales and use tax collections was paid for by the retail trade industry.

TABLE 5.6 AVERAGE EFFECTIVE PROPERTY TAX RATE, 1985



Midwestern States

Average Effective Property Tax Rate, 1977 to 1985

	1977	*1981*	*1982*	*1983*	*1984*	*1985*
Minnesota	**1.39**	**0.79**	**0.77**	**0.85**	**0.99**	**1.04**
United States	1.67	1.26	1.26	1.31	1.23	1.21

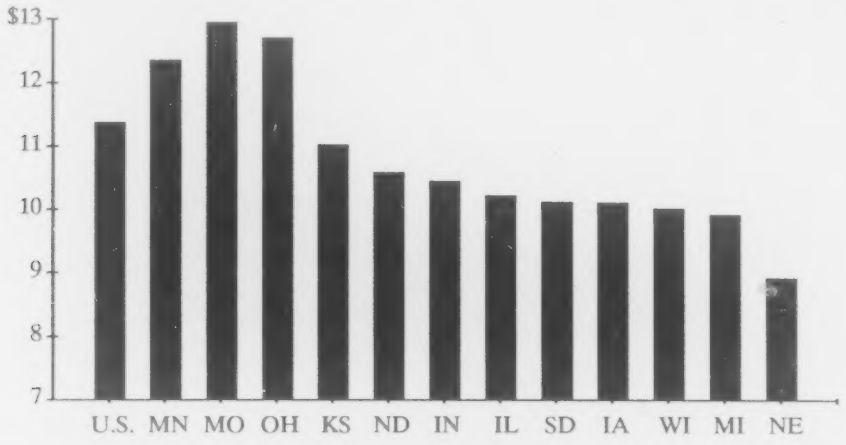
Average Effective Property Tax Rate in Midwestern States, 1985

Nebraska	2.29	Indiana	1.27
Michigan	2.27	North Dakota	1.26
Wisconsin	1.99	Kansas	1.16
South Dakota	1.96	Ohio	1.11
Iowa	1.96	**Minnesota**	**1.04**
Illinois	1.57	Missouri	0.98

Source: *Significant Features of Fiscal Federalism*, 1987 Edition, Advisory Commission on Intergovernmental Relations.
(Effective tax rate is defined as the percentage of tax liability to the market value of the house. The effective tax rates above are for existing FHA insured mortgages only after deduction of homestead credit.)

- Minnesota's average effective property tax rate, i.e, the percentage that tax liability is of the market value of the property, is 14 percent below the U.S. average.
- On the average, 1.04 percent of Minnesota property market value is collected in property taxes compared to 1.21 percent nationally.
- Minnesota's effective property tax rate is the second lowest in the Midwest region, next to Missouri.

TABLE 5.7 MINNESOTA STATE AND LOCAL TAX REVENUE PER $100 OF PERSONAL INCOME, FISCAL YEAR 1986

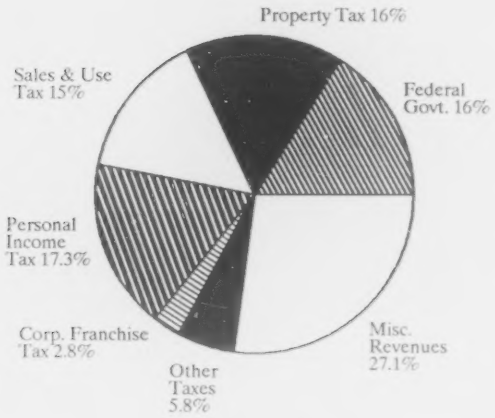


State	U.S. Rank 1985	Tax Revenue per $100 of Personal Income, 1986 State	Local	Combined	U.S. Rank 1986
U.S. AVERAGE	-	$6.94	$4.43	$11.37	-
WEST NORTH CENTRAL					
Minnesota	4	**8.39**	**3.96**	**12.35**	**10**
Iowa	29	6.69	4.33	11.02	25
North Dakota	28	7.42	2.80	10.22	36
South Dakota	48	5.22	4.90	10.12	38
Nebraska	41	5.25	4.86	10.11	39
Kansas	38	5.66	4.36	10.02	40
Missouri	49	5.42	3.50	8.92	49
EAST NORTH CENTRAL					
Wisconsin	7	8.53	4.42	12.95	5
Michigan	10	7.51	5.19	12.70	8
Illinois	32	5.68	4.90	10.58	31
Ohio	31	6.20	4.25	10.45	33
Indiana	40	6.57	3.35	9.92	41

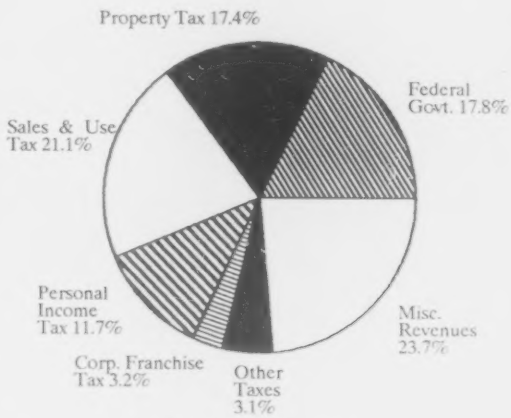
Source: U.S. Bureau of the Census, Quarterly Summary of Federal, State and Local Tax Revenue: April-June 1986. U.S. Bureau of the Census, Governmental Finances in 1984-85, Government Finances, GF85-No.5. U.S. Department of Commerce, Survey of Current Business, August 1986.

- In 1986, Minnesota state and local taxes decreased by 8.1 percent as a proportion of personal income, from $13.44 in 1985 to $12.35 in 1986.
- State taxes decreased even more by 11.5 percent, from $9.48 in 1985 to $8.39 in 1986.
- The major reason for this decline was primarily due to income tax cuts.
- Local taxes, however, remained constant as a proportion of personal income.
- Minnesota state and local tax revenue per $100 of personal income in fiscal year 1986 fell from fourth highest to 10th in the nation.
- Four other Midwestern states – North Dakota, Kansas, Ohio and Indiana – also showed improvements in their 1986 rankings.

TABLE 5.8 STATE AND LOCAL GOVERNMENT GENERAL REVENUE PER $1,000 INCOME BY SOURCE, 1984 - 1985



Minnesota



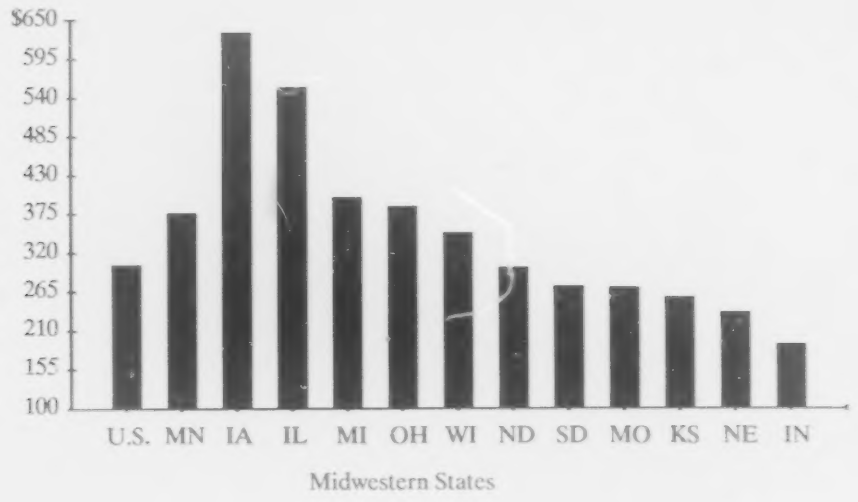
United States Average

Revenue Source	*Minnesota Revenue Total (Billions)*	*Minnesota Revenue Per 1,000 Personal Income*	*United States Revenue Total (Billions)*	*United States Revenue Per 1,000 Personal Income*
Federal Government	$2.09	$37.91	$106.19	$35.16
Taxes:				
Property	2.08	37.73	103.76	34.35
Sales and Gross Receipt	1.95	35.37	126.28	41.81
Income Taxes:				
Individual	2.25	40.81	70.10	23.21
Corporation	0.37	6.71	19.16	6.34
Other Taxes	0.76	13.79	30.50	10.10
Charges and Misc. Revenues	3.53	64.03	141.73	46.93
TOTAL GENERAL REVENUE	13.03	236.35	597.72	197.90

Source: U.S. Department of Commerce, Bureau of the Census, Governmental Finances, 1984-85, Government Finances, GF85-No.5.
(Note: Current charges include amounts received from the public for performance of specific services benefiting the person charged. Miscellaneous revenues include interest earnings on deposits and securities. General revenue does not include utility, liquor store and insurance trust revenues.)

- Minnesota state and local government general revenue totaled $13.03 billion in fiscal year 1985.
- Taxes provided $7.41 billion, or 57 percent of Minnesota's 1985 total general revenue.
- Minnesota's tax system is balanced among property, sales and excise and individual income taxes, with each generating about $2 billion each year.
- In collecting only $35.37 for every $1,000 of personal income generated, Minnesota's sales tax is lower than that of other states that collect $41.81 on the average.

TABLE 5.9 MAXIMUM WEEKLY PAYMENT UNDER WORKER'S COMPENSATION, 1988



U.S. Average	$302.75	Midwest Average	351.26
Iowa	$632.00	North Dakota	299.00
Illinois	554.27	South Dakota	$272.00
Michigan	398.00	Missouri	269.81
Ohio	385.00	Kansas	256.00
Minnesota	$376.00	Nebraska	235.00
Wisconsin	348.00	Indiana	190.00

Source: U.S. Department of Labor, Employment Standard Administration, State Workers Compensation Laws, July 1987, Minnesota Department of Labor and Industry.

- In 1988, Minnesota law stipulated a maximum weekly payment amount of $376.00 under worker's compensation.
- The maximum weekly worker's compensation payment in Minnesota is 24 percent and 7 percent above the national average and Midwest average, respectively.
- Minnesota's maximum weekly benefit equals the average weekly wage of the state's workers.

TABLE 5.10 COMPARISON OF WORKER'S COMPENSATION RATE PER $100 OF PAYROLL, 1987

Rank	*State*	*Rate*	*Rank*	*State*	*Rate*
1	Hawaii	4.08	21	Alabama	1.84
2	Oregon	3.98	22	Kentucky	1.80
3	Montana	3.89	23	Arkansas	1.73
4	**Minnesota**	**3.17**	24	New York	1.58
5	Washington, D.C.	3.12	25	South Carolina	1.57
6	New Mexico	3.12	26	Wisconsin	1.52
7	Alaska	2.76	27	Mississippi	1.40
8	Connecticut	2.72	28	Vermont	1.40
9	Florida	2.57	29	Tennessee	1.38
10	Michigan	2.50	30	Kansas	1.37
11	Texas	2.42	31	Iowa	1.32
12	Arizona	2.31	32	Virginia	1.26
13	Colorado	2.28	33	New Jersey	1.26
14	New Hampshire	2.26	34	Utah	1.24
15	Maryland	2.24	35	South Dakota	1.19
16	Idaho	2.04	36	Missouri	1.18
17	Georgia	2.00	37	Nebraska	1.11
18	Louisiana	1.98	38	North Carolina	0.93
19	Maine	1.97	39	Indiana	0.69
20	Illinois	1.89			
NATIONAL AVERAGE		2.04			

Source: Minnesota Department of Labor and Industry, Report to the Legislature on Worker's Compensation in Minnesota, Background Research Studies, January 1988.
(Note: Figures are based on the average annual rates, i.e., corrected for differences in industrial mix and occupational classifications. Minnesota's rate was adjusted in the way payroll base is calculated.)

- As of July 1987, Minnesota's average worker's compensation insurance rate was the fourth highest of the 38 states and the District of Columbia.
- The states with the highest three rates were Hawaii, Oregon and Montana.
- Minnesota's rate was 3.17 per $100 of payroll, about 55 percent higher than the national average of 2.04.

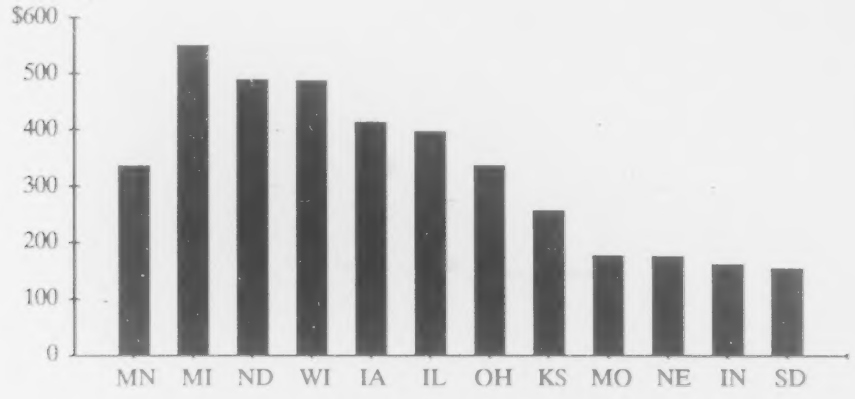
TABLE 5.11 UNEMPLOYMENT INSURANCE INDICATORS, 1985

Indicators	*Minnesota*	*United States*
Overall Unemployment Rate	6.0%	7.2%
Unemployment Rate for Insured Unemployed	2.6%	2.8%
Insured Unemployed as a Percentage of Total Unemployed	34%	32%
Average Duration of Claims (weeks)	14.4	14.3
Average Weekly Wage in Covered Employment	$358.95	$365.38
Average Weekly Benefits Collected by Claimants	$155.27	$128.23
Average Weekly Benefit as a Percentage of Average Weekly Wage	43.2%	35.3%
Total Benefits Paid as a Percentage of Total Wages	1.18%	0.95%
Average Employer Tax Rate	1.29	1.29

Source: U.S. Employment and Training Administration, Unemployment Insurance Financial Data, 1985, ET Handbook No. 394.
(Note: Figures above do not reflect occupational mix.)

- A variety of indicators on the unemployment insurance system reveals that Minnesota is comparable to the U.S. average in most respects.
- More than 30 percent of all unemployed workers in 1985 received unemployment compensation, both nationally and in Minnesota.
- In Minnesota, the insured unemployed as a percentage of total unemployed in 1985 was slightly higher than the U.S. average.
- Unemployed Minnesota workers receiving benefits took in $27.04 more weekly than those in the rest of the country, but collected for the same period of time as the U.S. average.
- On the average, Minnesota's unemployed received 43.2 percent of their previous wage, compared to 35.3 percent for unemployed workers nationally.
- In 1985, the average employer tax rate , i.e., taxes as a percentage of total wages, was the same for Minnesota and the United States.

TABLE 5.12 AVERAGE UNEMPLOYMENT INSURANCE TAXES EMPLOYERS PAY PER WORKER, 1987

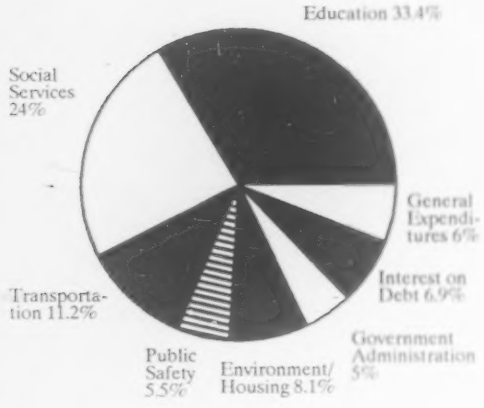


States and Regions	*1987 Tax Base*	*Tax Rate as a Percentage of Total Wages*	*Tax*	*Average Tax per Worker*	*U.S. Rank*
WEST NORTH CENTRAL					
North Dakota	10,800	4.0%	56	488	9
Iowa	12,300	2.9	56	413	13
Minnesota	**11,200**	**2.5**	**56**	**336**	**21**
Kansas	8,000	2.5	56	256	30
Missouri	7,500	1.6	56	176	42
Nebraska	7,000	1.7	56	175	44
South Dakota	7,000	1.4	56	154	49
EAST NORTH CENTRAL					
Michigan	9,500	5.2	56	550	3
Wisconsin	10,500	4.1	56	486	10
Illinois	8,500	4.0	56	396	14
Ohio	8,000	3.5	56	336	20
Indiana	7,000	1.5	56	161	45

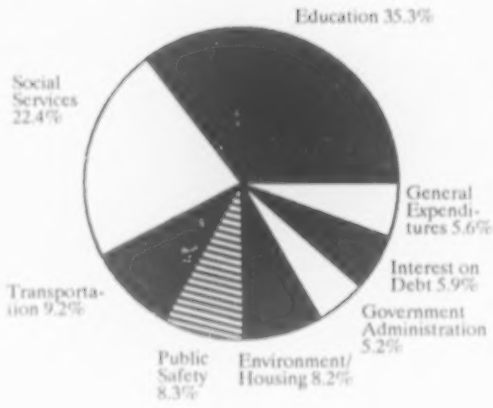
Source: Minnesota Department of Jobs and Training

- One positive sign of Minnesota's strong business climate is the state's low unemployment insurance taxes.
- In 1987, Minnesota ranked 21st among the 50 states in the amount that employers pay per worker for unemployment insurance taxes.
- One development that has helped lower unemployment insurance taxes in Minnesota is the surplus in the state's unemployment insurance fund.
- While Minnesota has the second highest weekly unemployment benefit for unemployed people, the state does not rank among the highest for unemployment insurance taxes for two reasons: (1) it is more difficult for the unemployed to qualify for unemployment insurance benefits in Minnesota, and (2) Minnesota's unemployment rate is below the national jobless rate.

TABLE 5.13 STATE AND LOCAL GOVERNMENT GENERAL EXPENDITURES FOR MAJOR FINANCIAL SECTORS BY FUNCTION, 1984 - 1985



Minnesota



United States Average

Major Sectors	*Minnesota*		*United States*		*Ratio of Minnesota to United States*
	Total (Billions)	*Per Capita*	*Total (Billions)*	*Per Capita*	
Education Services	$3.98	$949.20	$195.39	$818.42	1.16
Social Services	2.86	682.09	123.97	519.27	1.31
Transportation	1.33	317.20	51.13	214.17	1.48
Public Safety	0.65	155.02	46.24	193.68	0.80
Environmental and Housing	0.96	228.95	45.29	189.70	1.21
Government Administration	0.60	143.10	28.87	120.93	1.18
Interest on General Debt	0.82	195.56	32.43	135.84	1.44
General Expenditures	0.71	169.33	30.85	129.22	1.31
TOTAL	11.91	2,840.45	554.17	2,321.23	1.22

Source: U.S. Department of Commerce, Bureau of the Census, Governmental Finances, 1984-85, Government Finances, GF85-No.5.

- Minnesota state and local government general expenditures amounted to $11.91 billion in fiscal year 1985.
- Of the 1985 total expenditures, education is the largest recipient of state and local government expenditures in Minnesota, accounting for about 33 percent of the total.
- The state and local governments of Minnesota spend 16 percent more per capita on education than the national average.
- Minnesota spends an average of 48 percent more per capita on transportation than the average of other states primarily due to an extensive road system.
- Public safety is the only service in which Minnesota spends less per capita than the U.S. average, presumably because of its lower crime and incarceration rates.

TABLE 5.14 FULL-TIME EQUIVALENT EMPLOYMENT OF STATE AND LOCAL GOVERNMENT PER 10,000 POPULATION, 1985

U.S. Rank	*State*	*Full-Time Equivalent Employment Per 10,000 Population*	*U.S. Rank*	*State*	*Full-Time Equivalent Employment Per 10,000 Population*
1	Pennsylvania	357	26	Iowa	448
2	New Hampshire	392	27	Hawaii	453
3	California	396	28	North Carolina	454
4	Illinois	401	29	South Dakota	454
5	Kentucky	402	30	Nevada	455
6	Ohio	402	31	Virginia	455
7	Missouri	408	32	North Dakota	458
8	Indiana	412	33	Alabama	460
9	**Minnesota**	**412**	34	New Jersey	464
10	Michigan	414	35	Texas	467
11	Rhode Island	414	36	South Carolina	474
12	Utah	414	37	Oklahoma	477
13	Florida	423	38	Montana	478
14	Idaho	426	39	West Virginia	483
15	Maine	426	40	Delaware	488
16	Wisconsin	426	41	Kansas	490
17	Arizona	427	42	Massachusetts	496
18	Connecticut	428	43	Mississippi	496
19	Arkansas	431	44	Louisiana	504
20	Oregon	435	45	Georgia	509
21	Tennessee	436	46	Nebraska	514
22	Washington	436	47	New Mexico	524
23	Vermont	439	48	New York	555
24	Colorado	442	49	Wyoming	635
25	Maryland	443	50	Alaska	757

NATIONAL AVERAGE 458

Source: Significant Features of Fiscal Federalism, June 1987, Advisory Commission on Inter-governmental Relations, Statistical Abstract of the United States, 1987.

- Among the 50 states, Minnesota ranks ninth lowest in the number of full-time equivalent state and local government employees per 10,000 population in 1985.
- Minnesota's full-time equivalent state and local government employee figure is 10 percent below the national average.

LABOR
6

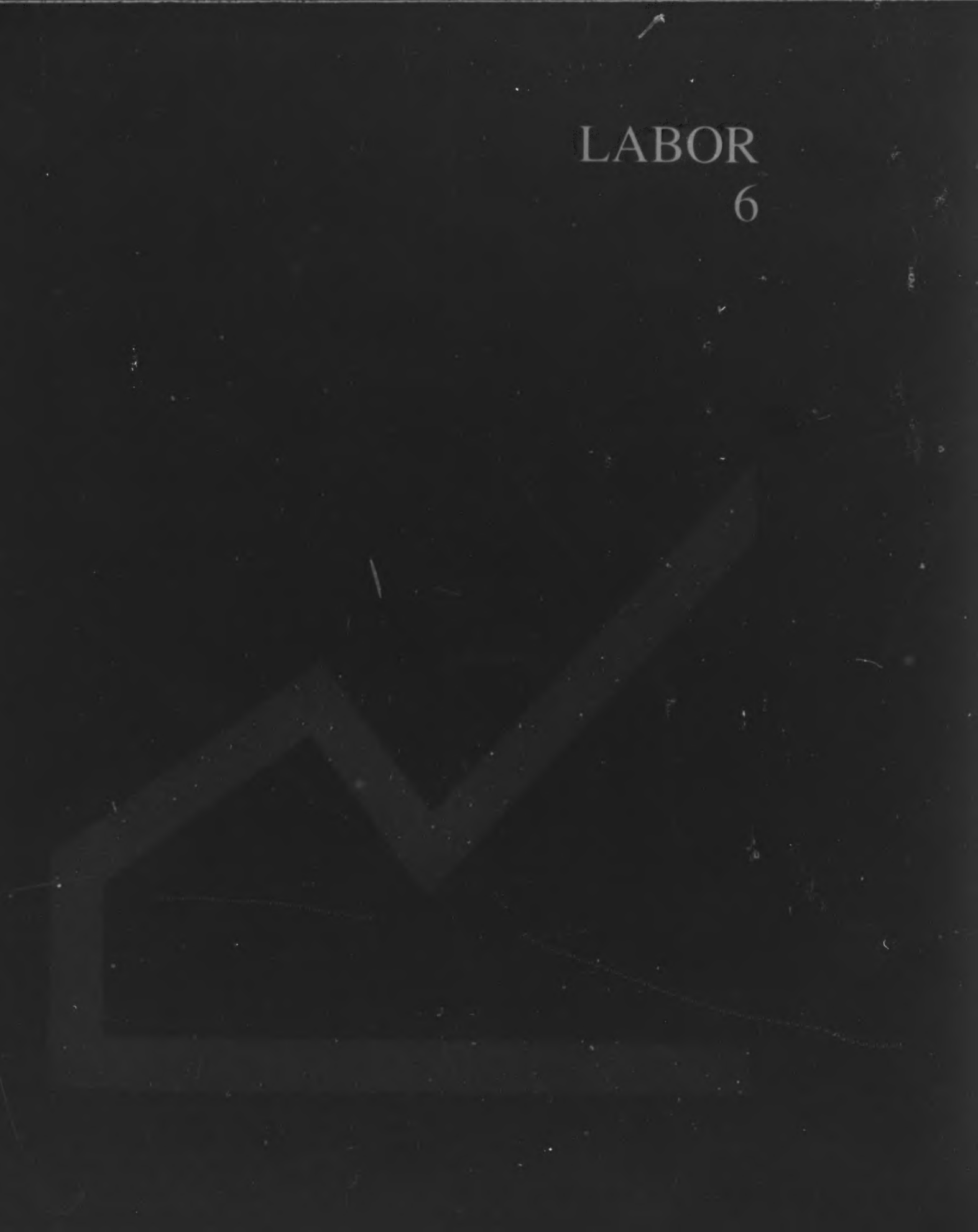


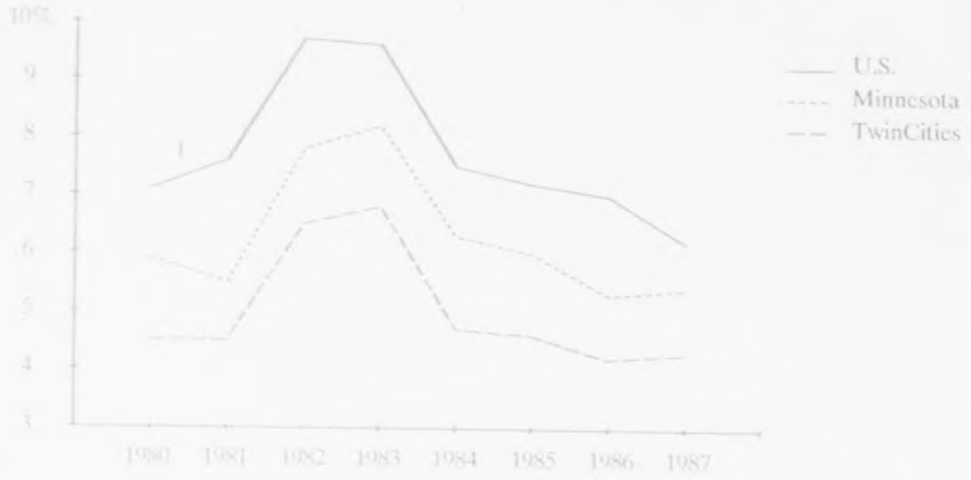
TABLE 6.1 LABOR FORCE PARTICIPATION RATE AND PERCENT DISTRIBUTION OF THE LABOR FORCE BY AGE, RACE AND SEX, 1986

	Participation Rate			*Percent Distribution*		
	United States	*Midwest*	*Minnesota*	*United States*	*Midwest*	*Minnesota*
TOTAL	65.3	66.2	70.5	100.0%	100.0%	100.0%
Male	76.3	77.2	80.2	55.5	55.8	55.3
Female	55.3	56.1	61.4	44.5	44.2	44.7
White	65.5	66.7	70.7	86.4	90.7	96.5
Non-white	63.3	60.8	-	13.6	9.3	3.5
Teen	54.7	60.5	70.2	6.7	7.5	7.8
Adult	66.2	66.7	70.6	93.3	92.5	92.2

Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 1986, Bulletin 2279, May 1987.
(Labor force participation rate is that percentage of the population aged 16 and over that is employed or seeking employment.)

- Among working age Minnesotans, 71 percent were in the labor force in 1986 compared with roughly 65 percent in the nation and 66 percent in the Midwest region.
- For all working groups, Minnesota's labor force participation rate is significantly higher than that of both the United States and the Midwest region.
- Women make up an increasing percentage of the work force in Minnesota. In 1986, the labor force participation rate of females in Minnesota was 6 percent higher than that of the United States.
- Seventy percent of all Minnesotans aged 16 to 19 are in the labor force compared with only 55 percent in the nation and 61 percent in the Midwest region.
- Non-whites constitute 3.5 percent of the total labor force in Minnesota compared with 9.3 percent in the Midwest and 13.6 percent in the United States.
- Teens represent 7.8 percent of the Minnesota work force compared with a 6.7 percent share held by teens nationwide.

TABLE 6.2 ANNUAL AVERAGE UNEMPLOYMENT RATES, 1980 TO 1987

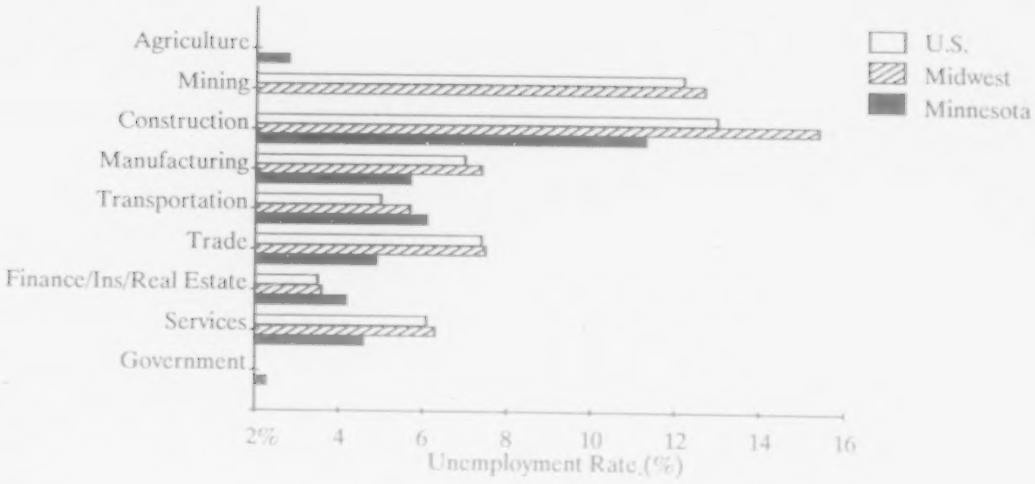


	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*1987*
United States	7.1%	7.6%	9.7%	9.6%	7.5%	7.2%	7.0%	6.2%
Minnesota	5.9	5.5	7.8	8.2	6.3	6.0	5.3	5.4
Twin Cities Metro	4.5	4.5	6.5	6.8	4.7	4.6	4.1	4.3
Other Minnesota Regions:								
Northeast	10.2	8.9	14.8	15.3	11.6	10.7	9.3	9.4
Central	7.4	6.8	8.9	9.5	8.0	7.7	6.5	6.5
Southeast	6.0	5.5	7.2	7.6	6.5	6.1	5.5	5.3
West	8.4	7.5	11.3	12.0	9.9	9.1	6.9	6.8

Source: Minnesota Annual Average Labor Force Data, May 19, 1988, Research Office, Minnesota Department of Jobs and Training.

- Minnesota's unemployment rate remained one to two percentage points below that of the U.S. average from 1980 to 1987.
- The unemployment rate in the Twin Cities metropolitan area stayed well below both the Minnesota and U.S. averages during the same period.
- The northeastern region of Minnesota experienced the state's highest unemployment, with double-digit rates in five of the eight years.
- Of the four areas outside the Twin Cities, the southeast was the only one with an unemployment rate below the national average during the entire period.

TABLE 6.3 UNEMPLOYMENT RATES BY MAJOR INDUSTRY GROUP, 1986

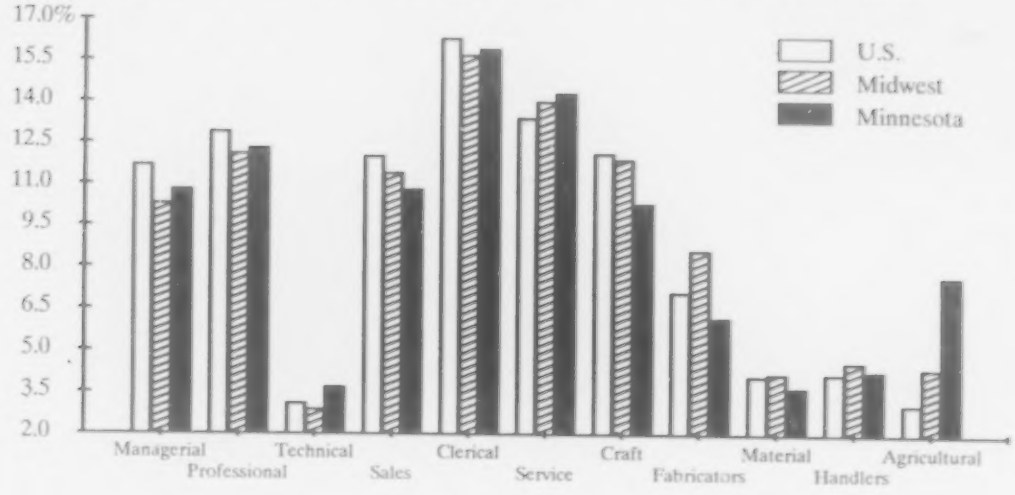


Major Industry Group	*Minnesota*	*Midwest*	*United States*
Agriculture	2.8	n/a	n/a
Mining	n/a	12.7	12.2
Construction	11.3	15.4	13.0
Manufacturing	5.7	7.4	7.0
Durable Goods	5.3	7.9	6.8
Non-durable Goods	6.2	7.2	7.5
Transportation	6.1	5.7	5.0
Trade	4.9	7.5	7.4
Wholesale Trade	n/a	5.1	5.2
Retail Trade	n/a	8.1	8.0
Finance/Insurance/Real Estate	4.2	3.6	3.5
Services	4.6	6.3	6.1
Government	2.3	n/a	n/a

Source: U.S. Department of Labor, *Geographic Profile of Employment and Unemployment, 1986*, Bulletin 2279, May 1987.

- Overall, the total unemployment rate in Minnesota is lower than that of the Midwest region and the nation.
- Among the major industry groups, construction has the highest rate of unemployment in Minnesota, the Midwest region and the United States.
- Except for the finance/insurance/real estate sector, Minnesota exhibited a lower unemployment rate than the Midwest and the United States for all major industry sectors.
- The Midwest unemployment rates for all major industry groups are higher than the U.S. averages.

TABLE 6.4 PERCENT DISTRIBUTION OF LABOR FORCE BY OCCUPATION, 1986

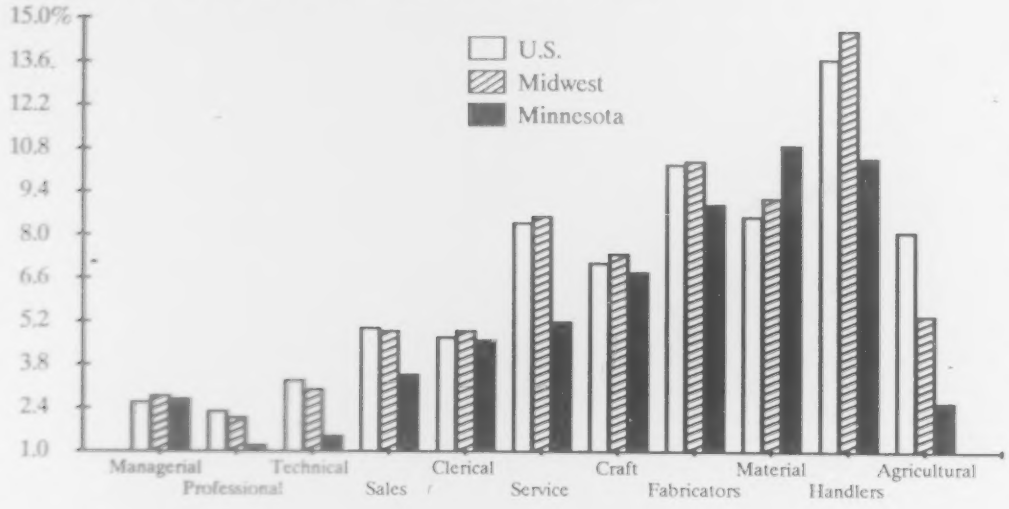


Occupation	*Minnesota*	*Midwest*	*United States*
Executive, Administrative and Managerial	10.8%	10.3%	11.7%
Professional Speciality	12.3	12.1	12.9
Technicians and Related Support	3.7	2.9	3.1
Sales Occupations	10.8	11.4	12.0
Administrative Support, including Clerical	15.9	15.7	16.3
Service Occupations	14.3	14.0	13.4
Precision Production, Craft and Repair	10.3	11.9	12.1
Machine Operators, Fabricators and Assemblers	6.2	8.6	7.1
Transportation and Material Moving Occupations	3.7	4.2	4.1
Handlers, Helpers and Laborers	4.3	4.6	4.2
Farming, Forestry and Fishing	7.7	4.4	3.1

Source: U.S. Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment, 1986*, Bulletin 2297, May 1987.

- The largest share of Minnesota's labor force is in administrative support (including clerical), followed by service, professional, executive/managerial and sales occupations.
- Minnesota's share is higher than the U.S. average in four occupational groups: service, technical, helpers/laborers and agricultural.
- The widest disparity in occupational distribution between Minnesota and the United States is the state's prevalence of agricultural/forestry workers.
- Of the blue collar occupations, transportation/material moving occupation and machine operators/fabricators/assemblers are much less common in Minnesota than in the nation.

TABLE 6.5 UNEMPLOYMENT RATES BY OCCUPATION, 1986



Occupation	*Minnesota*	*Midwest*	*United States*
Executive, Administrative and Managerial	2.7%	2.8%	2.6%
Professional Speciality	1.2	2.1	2.3
Technicians and Related Support	1.5	3.0	3.3
Sales Occupations	3.5	4.9	5.0
Administrative Support, including Clerical	4.6	4.9	4.7
Service Occupations	5.2	8.6	8.4
Precision Production, Craft and Repair	6.8	7.4	7.1
Machine Operators, Fabricators and Assemblers	9.0	10.4	10.3
Transportation and Material Moving Occupations	10.9	9.2	8.6
Handlers, Helpers and Laborers	10.5	14.6	13.7
Farming, Fishing and Forestry Occupations	2.6	5.4	8.1

Source: U.S. Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 1986, Bulletin 2279, May, 1987.

- Professional and technical workers had the lowest unemployment rates in Minnesota, the Midwest and the United States.
- The unemployment rate was higher in Minnesota than in the United States for only two occupational groups: executive/ managerial and transportation/material moving occupations.
- Except for transportation/material moving occupations, all occupational groups have higher unemployment rates in the Midwest region than in Minnesota.
- Service occupations and helpers/laborers experienced lower unemployment rates in Minnesota than in the nation.

TABLE 6.6 PERCENT DISTRIBUTION OF UNEMPLOYED PERSONS BY DURATION OF UNEMPLOYMENT, 1986

Duration	*Minnesota*	*Midwest*	*United States*
27 weeks and over	12.60%	18.50%	14.40%
15 weeks and over	25.50	31.60	27.20
5 to 14 weeks	29.10	29.80	31.10
less than 5 weeks	45.40	38.60	41.73

Source: U.S. Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment, 1986*, Bulletin 2279, May 1987.
(Note: Duration of unemployment represents the length of time during which persons classified as unemployed have continuously sought work.)

- The percentage distribution of unemployed persons that have been unemployed for less than five weeks is relatively higher in Minnesota compared to the Midwest and the U.S. average.
- This indicates that Minnesota's economy offers a higher degree of opportunity and flexibility. Workers are able to move relatively smoothly from one job to another.
- The percentage distribution of long-term unemployment, i.e., jobless for more than 27 weeks, is lower in Minnesota than in the Midwest and the nation – reflecting a less serious mismatch between work force skills and job availability in the state.
- In both measures of duration of unemployment, the Midwest region showed a higher percentage of long-term unemployment and lower percentage of short-term unemployment than the United States.

TABLE 6.7 ANNUAL AVERAGE WAGES PER EMPLOYEE BY INDUSTRY, 1986

Major Industry Group	*Minnesota*	*United States*
Total Private Wage and Salary	$19,274	$19,746
Agricultural Services	13,631	12,001
Mining	29,889	32,555
Metal Mining	30,523	31,763
Construction	25,034	22,190
Manufacturing	26,203	24,861
Food Products	23,034	21,546
Paper and Allied Products	35,523	28,294
Printing and Publishing	20,763	22,031
Fabricated Metals	27,176	24,104
Computers and Non-electrical Machinery	29,705	27,959
Electrical Machinery	22,331	26,658
Instruments	28,859	27,713
Transportation and Public Utilities	25,713	26,561
Trucking	21,035	21,622
Communications	27,810	30,284
Electric and Gas Utilities	33,208	32,622
Wholesale Trade	25,089	24,820
Retail Trade	10,169	11,139
General Merchandise Stores	11,600	11,132
Eating and Drinking Places	5,993	7,074
Finance, Insurance and Real Estate	23,214	24,249
Banking	19,744	20,904
Insurance Carriers	23,907	24,508
Services	15,801	17,643
Business	15,744	18,200
Health	18,310	19,547
Legal	28,393	29,888
Social	11,266	10,707
Miscellaneous Professional	25,842	27,684

Source: Minnesota Department of Jobs and Training, Annual Covered Employment and Wages, 1986; U.S. Bureau of Labor Statistics, Employment and Wages, Annual Averages, 1986.
(Note: Annual average wage per employee is defined as total annual payroll divided by the annual average number of employees. It does not correct for number of part-time or seasonal workers employed throughout the year.)

- Minnesota's private annual average wage and salary per employee is slightly lower than the U.S. average.
- The agricultural, construction, manufacturing and wholesale trade sectors in Minnesota have higher average wages than the United States, while pay in the mining, transportation, retail trade, finance and real estate, and services sectors is lower.
- Minnesota contains both high- and low-paying manufacturing industries among the seven major ones cited.
- The average annual wages paid per employee in certain retail trade and service industries is 14 to 16 percent lower in Minnesota than in the nation.

TABLE 6.8 AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS IN THE MANUFACTURING INDUSTRY BY TWO-DIGIT SIC CODE, 1986

SIC	*Industry*	*Minnesota*	*United States*
	ALL MANUFACTURING	$10.20	$9.73
20	Food and Kindred Products	8.57	8.74
22	Textiles	7.35	6.93
23	Apparel	6.16	5.84
24	Lumber and Wood Products	11.26	8.33
25	Furniture and Fixtures	9.90	7.46
26	Paper and Allied Products	11.76	11.18
27	Printing and Publishing	10.17	9.99
28	Chemicals	10.98	11.98
29	Petroleum and Coal	13.83	14.18
30/31	Rubber, Plastics and Leather	8.69	8.73
32	Stone, Clay and Glass	10.54	10.05
33	Primary Metals	9.43	11.86
34	Fabricated Metals	11.46	9.89
35	Computers and Non-electrical Machinery	11.04	10.59
36	Electrical Machinery	8.53	9.65
37	Transportation Equipment	11.59	12.81
38	Instruments	10.05	9.47
39	Miscellaneous Manufacturing	9.14	7.54

Source: Minnesota Department of Jobs and Training, ES-790 program data. U.S. Bureau of Labor Statistics, Employment and Earnings, 1986.

- Minnesota ranks above the national average in hourly earnings of production workers. Minnesota ranks 13th among the 50 states.
- Textiles, apparel and electrical machinery are the lowest paying manufacturing industries in Minnesota, with hourly rates slightly above, close to and below the national average, respectively.
- The four highest paying industries in Minnesota are petroleum, paper products, transportation equipment, and lumber and wood products.
- Among the six highest paying industries nationally, Minnesota offers lower wage rates in four of them: primary metals, transportation equipment, chemicals and petroleum.
- The two largest manufacturing industries in Minnesota – computers and non-electrical machinery, and food products – have wage rates within 4 percent of their corresponding national averages.
- The largest U.S. industry, electrical machinery, has hourly wages in Minnesota that are 12 percent below those found throughout the rest of the country.

TABLE 6.9 VALUE ADDED PER DOLLAR OF PAYROLL IN MANUFACTURING INDUSTRIES, 1985

1	Hawaii	5.23	26	Illinois	4.27
2	New York	5.22	27	Virginia	4.25
3	Alaska	5.19	28	Oklahoma	4.23
4	Kansas	4.97	29	Wyoming	4.17
5	Iowa	4.94	30	Missouri	4.16
6	Texas	4.87	31	Maryland	4.10
7	North Dakota	4.86	32	Washington	4.04
8	**Minnesota**	**4.78**	33	Wisconsin	4.01
9	South Dakota	4.77	34	Tennessee	3.97
10	Massachusetts	4.77	35	Mississippi	3.92
11	Louisiana	4.74	36	Idaho	3.91
12	California	4.72	37	Pennsylvania	3.85
13	Florida	4.71	38	West Virginia	3.83
14	New Jersey	4.64	39	Ohio	3.77
15	Utah	4.63	40	New Hampshire	3.75
16	Kentucky	4.62	41	Oregon	3.69
17	Nebraska	4.62	42	Arkansas	3.66
18	Colorado	4.62	43	Indiana	3.65
19	Nevada	4.51	44	Vermont	3.60
20	Arizona	4.51	45	Rhode Island	3.58
21	Connecticut	4.46	46	Alabama	3.58
22	North Carolina	4.45	47	South Carolina	3.54
23	Delaware	4.41	48	Maine	3.38
24	Georgia	4.33	49	Michigan	3.06
25	New Mexico	4.31	50	Montana	2.91

UNITED STATES 4.24

Source: U.S. Bureau of the Census, 1985 Annual Survey of Manufacturers, Geographic Area Series, March 1987.

- Minnesota ranks eighth among the 50 states in value added in manufacturing per dollar of payroll.
- Minnesota's value added in the manufacturing sector is 13 percent above the national average.
- Minnesota ranks fourth among the 12 Midwestern states in this measure of labor productivity.
- Value added is not strongly related to location. All regions of the nation contain states that place both high and low in this measure.

TABLE 6.10 INDICATORS OF UNION MEMBERSHIP

	Data Year	*Minnesota*	*Midwest*	*United States*
Total Union Membership (Thousands)	1980	463.0	6,943.0	22,811.0
As a Percentage of Payroll Employment	1980	26.2%	29.4%	25.2%
Union Membership in Manufacturing (Thousands)	1984	96.0	2,153.0	4,892.0
As a Percentage of Manufacturing Employment	1984	25.7%	39.0%	20.1%
Percent Change in Manufacturing Union Membership	1982-1984	-9.3%	-7.8%	-5.3%
AFL-CIO Membership (Thousands)	1984	181	n/a	13265
As a Percentage of Payroll Employment	1984	9.9%	n/a	14.1%

Source: U.S. Bureau of Labor Statistics, Directory of National Unions and Employee Associations, 1984. Grant Thornton and Company, General Manufacturing Climates, June 1987. United States and Minnesota AFL-CIO (unpublished estimates of membership shares).

- The last comprehensive tabulation of unionization, published in 1980, showed Minnesota with total union membership of 96,000 representing 26 percent of all employees on payrolls.
- The proportion of all employees belonging to unions in Minnesota is just 1 percent above the U.S. average, but 3 percent below that of the Midwest region.
- According to recent estimates, roughly 25 percent of Minnesota's manufacturing employees belonged to unions compared with 20 percent nationally and almost 40 percent in the Midwest.
- From 1982 to 1984, Minnesota's manufacturing union membership dropped by more than 9 percent, despite employment growth of 8 percent in this sector.
- Union membership in manufacturing has decreased faster in Minnesota than in either the nation or the Midwest region.
- Less than 10 percent of all Minnesota workers are members of the AFL-CIO, compared with 14 percent nationally.

TABLE 6.11 HEALTH CARE COST FACTORS

	Year	*Minnesota*	*United States*
Average Daily Hospital Room Charge ($)	1986	211	225
Average Cost Per Day in Hospital ($)	1984	336	411
Average Cost Per Hospital Stay ($)	1984	2,952	2,995
Hospital Occupancy Rate (%)	1984	65.3%	68.9%
Hospital Beds (Thousands)	1984	22	1,020
Physicians Per 100,000 People	1983	202	196
Health Maintenance Organizations: Enrollment as a Percentage of Population	1986	20%	11%

Source: Statistical Abstract of the United States, 1987. The Inter-Study Edge, Spring 1987.

- Hospital care costs in Minnesota are lower than the national average under a variety of cost measures.
- Average daily room charges at Minnesota hospitals are 6 percent lower than the U.S. average.
- Minnesota's average daily hospital costs are about $75 less than those in the United States at large.
- Lower hospital occupancy rates in Minnesota than in the United States exert a greater pressure for competition among hospitals in cost-cutting measures.
- Access to health care in Minnesota surpasses that of the nation as indicated by the higher rate of physicians in the state.
- Health Maintenance Organizations are a vital component of the state's medical care system, with 20 percent of the population enrolled in 1986.

EDUCATION
7

TABLE 7.1 HIGH SCHOOL GRADUATION RATES, 1986

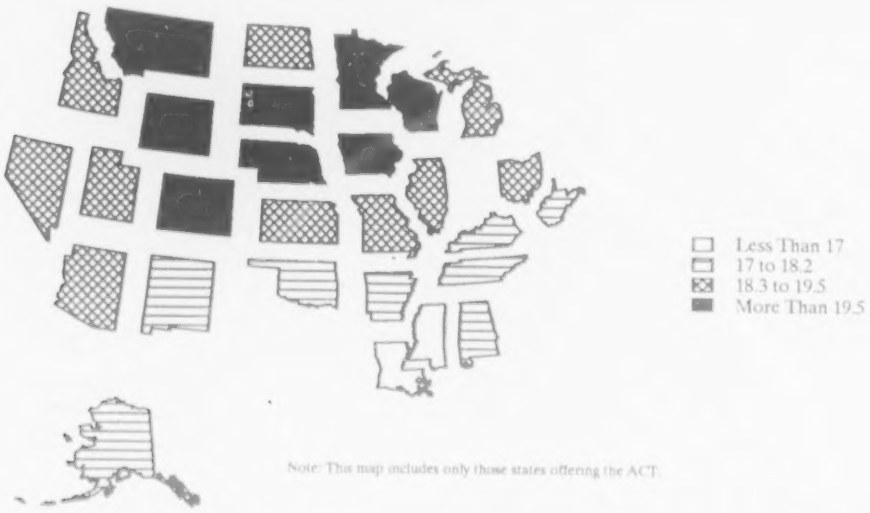
1	**Minnesota**	**91.4**
2	Connecticut	89.8
3	North Dakota	89.7
4	Nebraska	88.1
5	Iowa	87.5
6	Montana	87.2
7	Wisconsin	86.3
8	Kansas	81.5
9	South Dakota	81.5
10	Wyoming	81.2
11	Ohio	80.4
12	Utah	80.3
13	Idaho	79.0
14	Pennsylvania	78.5
15	Arkansas	78.0
16	New Jersey	77.6
17	Vermont	77.6
18	Massachusetts	76.7
19	Maryland	76.6
20	Maine	76.5
21	Illinois	75.8
22	Missouri	75.6
23	Washington	75.2
24	West Virginia	75.2
25	Oregon	74.1
26	Virginia	73.9
27	New Hampshire	73.3
28	Colorado	73.1
29	New Mexico	72.3
30	Indiana	71.7
31	Oklahoma	71.6
32	Hawaii	70.8
33	Delaware	70.7
34	North Carolina	70.0
35	Kentucky	68.6
36	Alaska	68.3
37	Michigan	67.8
38	Tennessee	67.4
39	Alabama	67.3
40	Rhode Island	67.3
41	California	66.7
42	Nevada	65.2
43	South Carolina	64.5
44	Texas	64.3
45	New York	64.2
46	Mississippi	63.3
47	Arizona	63.0
48	Georgia	62.7
49	Louisiana	62.7
50	Florida	62.0

NATIONAL AVERAGE 71.5%

Source: U.S. Department of Education, State Education Statistics, February 1988.

- Minnesota ranked first in the nation on its high school graduation rate.
- Minnesota is the first state to meet the U.S. President's challenge to achieve a 90 percent high school graduation rate.
- In 1986, 91.4 percent of all high school students in Minnesota graduated, far above the national average of 71.5.
- High school graduation rates display a distinct regional pattern — high in the West North Central region and low throughout most of the Southeast and Southwest.

TABLE 7.2 ACT COLLEGE ENTRANCE EXAM AVERAGE SCORES, 1987



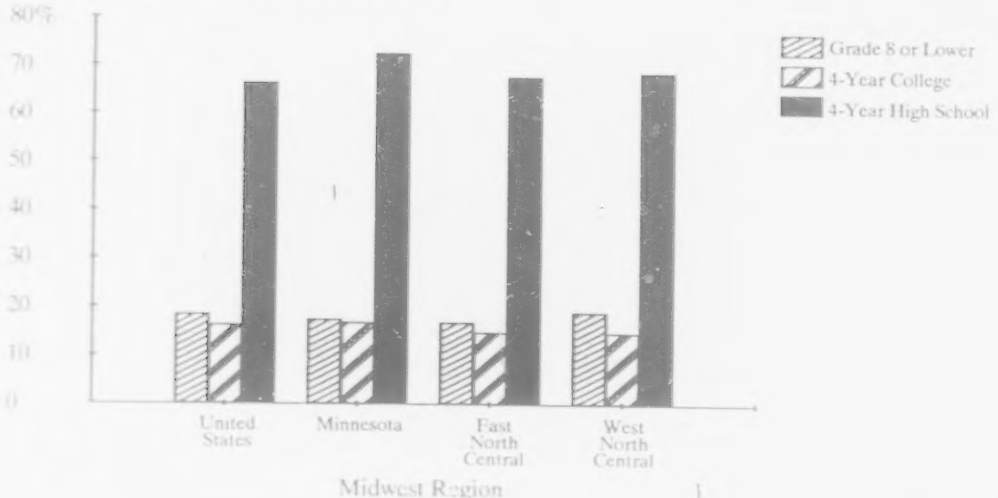
Note: This map includes only those states offering the ACT.

Rank	*State*	*Score*	*Percent of High School Graduates Taking Test*	*Rank*	*State*	*Score*	*Percent of High School Graduates Taking Test*
1	Wisconsin	20.4	42.1%	15	Illinois	18.9	63.5%
2	Iowa	20.3	60.8	16	Utah	18.9	67.2
3	**Minnesota**	**20.2**	**35.7**	17	Michigan	18.8	58.4
4	Colorado	19.9	63.4	18	North Dakota	18.8	68.3
5	Montana	19.9	52.7	19	Alaska	18.7	37.1
6	Wyoming	19.9	62.7	20	Kentucky	18.3	55.5
7	Nebraska	19.8	65.9	21	Alabama	18.0	53.0
8	South Dakota	19.6	65.9	22	New Mexico	18.0	53.9
9	Arizona	19.3	38.2	23	Tennessee	18.0	61.9
10	Kansas	19.3	66.9	24	Arkansas	17.8	56.9
11	Ohio	19.3	49.6	25	Oklahoma	17.7	54.9
12	Missouri	19.2	54.8	26	West Virginia	17.6	50.2
13	Nevada	19.1	40.5	27	Louisiana	16.9	61.3
14	Idaho	19.0	55.6	28	Mississippi	16.3	65.3
NATIONAL AVERAGE		18.7					

Source: U.S. Department of Education, State Education Statistics, February 1988.

- In 1987, 36 percent of Minnesota's high school graduates took the ACT exam and scored an average of 20.2.
- Minnesota ranked third among the 28 ACT states on student test score performance. It has consistently maintained either the second or third rank for the past several years.
- Minnesota's average ACT score is 8 percent above the national average.
- States with the highest test scores are scattered throughout the Midwest region of the country, while states with the lowest scores are in the South.

TABLE 7.3 PERCENTAGE OF POPULATION OVER AGE 25 WITH VARIOUS EDUCATIONAL LEVELS, 1984



States and Regions	Eighth Grade or Lower	At Least Four Years High School	At Least Four Years College
NATIONAL AVERAGE	18.4%	66.3%	16.3%
WEST NORTH CENTRAL	18.9	68.5	14.7
Iowa	17.0	71.2	14.1
Kansas	15.1	72.3	15.7
Minnesota	**17.3**	**72.4**	**16.7**
Missouri	22.0	63.7	14.0
Nebraska	14.5	73.8	16.1
North Dakota	24.7	66.5	15.2
South Dakota	21.9	68.5	14.2
EAST NORTH CENTRAL	16.8	67.5	14.7
Illinois	19.5	65.0	14.5
Indiana	16.8	65.9	12.4
Michigan	14.8	68.2	15.2
Ohio	15.0	67.4	14.8
Wisconsin	18.0	70.0	14.9

Source: Information Please Almanac, Atlas and Yearbook, Houghton Mifflin Company, 1986.

- Minnesota ranks fifth among the 50 states in the percentage of its working age population that are high school graduates.
- Minnesota is 6 percent lower than the national average in the percentage of its population over age 25 with an educational level of eighth grade or lower. In addition, the percentage of population in the same age category with educational levels of at least high school and at least four years college is 9 percent and 2 percent higher than the national average, respectively.
- Within the Midwest region, Minnesota ranks first in the percentage of population over 25 years old with at least four years of college.
- The higher than national average educational levels for Minnesota's working age population suggests a high quality work force in the state.

TABLE 7.4 PUPIL / TEACHER RATIO, 1987

1	Connecticut	14	26	Texas	17
2	Vermont	14	27	Illinois	17
3	Wyoming	14	28	**Minnesota**	17
4	Massachusetts	14	29	Arkansas	18
5	New Jersey	15	30	Florida	18
6	Rhode Island	15	31	Ohio	18
7	Nebraska	15	32	Colorado	18
8	North Dakota	15	33	Indiana	18
9	West Virginia	15	34	Oregon	18
10	Kansas	15	35	Arizona	18
11	New York	15	36	Louisiana	19
12	Iowa	16	37	Kentucky	19
13	Maine	16	38	North Carolina	19
14	Montana	16	39	Georgia	19
15	South Dakota	16	40	Mississippi	19
16	New Hampshire	16	41	New Mexico	19
17	Delaware	16	42	Alabama	20
18	Pennsylvania	16	43	Tennessee	20
19	Wisconsin	16	44	Michigan	20
20	Missouri	16	45	Idaho	20
21	Alaska	17	46	Nevada	20
22	Virginia	17	47	Washington	21
23	Oklahoma	17	48	Hawaii	23
24	Maryland	17	49	California	23
25	South Carolina	17	50	Utah	23

NATIONAL AVERAGE 18

Source: U.S. Department of Education, News Education Exchange, February 1988.

- Minnesota has a slightly better pupil to teacher ratio than the national average. It ranks 28th lowest in the nation.
- There are about 17 pupils for every schoolteacher in Minnesota.
- This ratio is 6 percent below the U.S. ratio of 18:1.

TABLE 7.5 STUDENTS/COMPUTER RATIO IN PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, 1986

1	Alaska	14
2	Connecticut	16
3	Wyoming	16
4	**Minnesota**	21
5	Montana	22
6	South Dakota	25
7	Iowa	29
8	New York	29
9	Oregon	29
10	Arkansas	30
11	Colorado	30
12	Kansas	30
13	Florida	32
14	Rhode Island	33
15	Tennessee	33
16	Arizona	35
17	Delaware	35
18	Maine	35
19	Kentucky	38
20	Alabama	39
21	North Carolina	39
22	Pennsylvania	40
23	South Carolina	40
24	Indiana	43
25	Nebraska	43
26	Idaho	44
27	Missouri	45
28	Ohio	45
29	Nevada	46
30	New Jersey	47
31	Vermont	47
32	Washington	49
33	Utah	50
34	Texas	54
35	Hawaii	70
36	Mississippi	85
37	Maryland	95
38	Georgia	135

NATIONAL AVERAGE 38

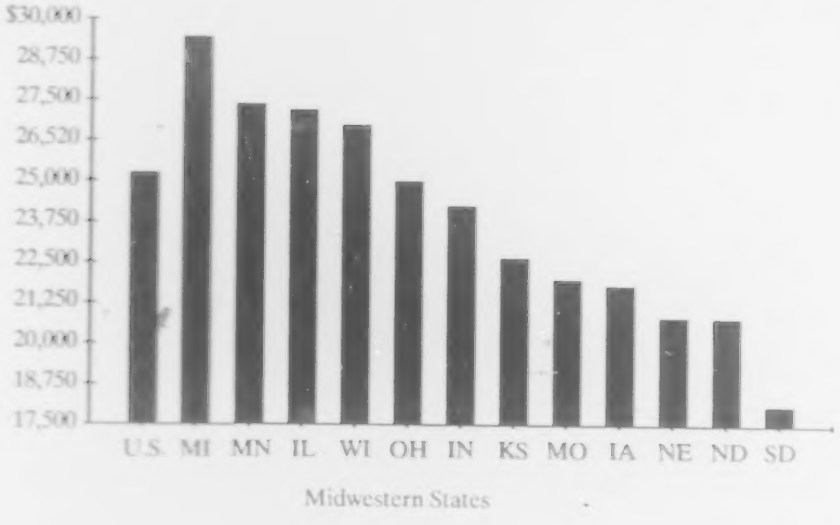
Source: Electronic Learning, 1986 Educational Computing Survey of the States, October 1986. (Note: Data for other states are not available.)

- Nationwide, there's one micro-computer for every 38 students in elementary and secondary public schools. But state to state, the student/computer ratio varies considerably.

- Minnesota ranks fourth, with a student/computer ratio of 21:1. This figure is better than the national ratio of 38:1.

- Alaska, the state with the third lowest student enrollment, tops the list with the lowest ratio – 14 students for each micro-computer. Georgia has the highest ratio; one computer for every 135 students.

TABLE 7.6 AVERAGE SALARY OF PUBLIC SCHOOL TEACHERS, 1986



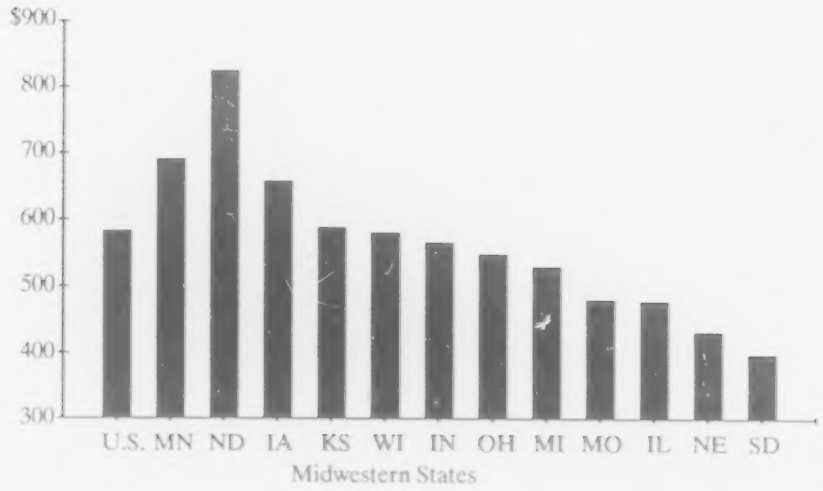
Annual Earnings

States and Regions	*Teachers*	*Private Sector*	*Ratio*	*U.S. Rank*
NATIONAL AVERAGE	$25,240	$19,488	1.30	-
WEST NORTH CENTRAL				
Minnesota	**27,360**	**19,256**	**1.42**	9
Nebraska	20,834	15,470	1.35	18
North Dakota	20,815	15,409	1.35	20
Iowa	21,802	16,406	1.33	23
Kansas	22,644	16,980	1.33	24
South Dakota	18,095	13,702	1.32	26
Missouri	21,974	19,208	1.14	48
EAST NORTH CENTRAL				
Wisconsin	26,720	17,565	1.52	3
Illinois	27,172	20,702	1.31	28
Michigan	29,461	22,748	1.30	30
Ohio	24,988	19,881	1.26	37
Indiana	24,248	19,382	1.25	40

Source: American Federation of Teachers, Salary Trends 1986: Survey and Analysis, July 1986.

- The average salary of Minnesota schoolteachers ranks seventh in the nation.
- The mean annual salary of teachers in Minnesota is 8 percent higher than the national average.
- Minnesota public schoolteachers receive salary that is 42 percent higher than the average in the private sector.
- The ratio of the average salary of teachers to annual earnings in the private sector is higher in Minnesota than in the nation.

TABLE 7.7 PER CAPITA STATE EXPENDITURES ON EDUCATION, 1986

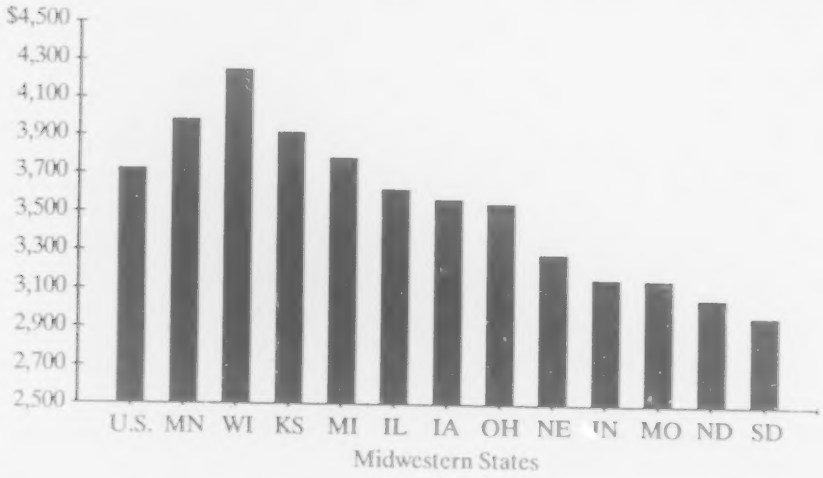


States and Regions	Total Education: Per Capita	Total Education: U.S. Rank	Total Education: Per $1,000 Personal Income	Higher Education: Per Capita	Higher Education: U.S. Rank	Higher Education: Per $1,000 Personal Income
NATIONAL AVERAGE	$583	-	$42.5	$216	-	$15.7
WEST NORTH CENTRAL						
North Dakota	824	5	67.8	380	3	31.3
Minnesota	**690**	**10**	**49.3**	**261**	**14**	**18.6**
Iowa	657	15	51.5	295	9	23.1
Kansas	588	21	42.9	247	21	18.0
Missouri	480	40	36.5	157	45	11.9
Nebraska	432	48	32.4	244	24	18.3
South Dakota	398	49	35.7	193	39	17.3
EAST NORTH CENTRAL						
Wisconsin	580	25	44.2	259	16	19.8
Indiana	565	30	45.4	245	22	19.7
Ohio	548	33	41.4	216	29	16.4
Michigan	530	37	39.2	262	13	19.4
Illinois	478	41	32.5	168	42	11.4

Source: State Government Finances, 1986, Government Finances, GF86-No. 3.

- In 1986, Minnesota ranked 10th in per capita state expenditures on education (total) and 14th in higher education.
- Minnesota has relatively higher per capita state budget appropriations for education than the national average.
- It also ranks second in the Midwest region in per capita state expenditures on education, next to South Dakota.
- On a per capita basis, about 38 percent of the total state expenditures on education is spent on higher education programs.

TABLE 7.8 STATE EXPENDITURES FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS PER PUPIL, 1985 TO 1986



States and Regions	*Expenditures Per Pupil*	*U.S. Rank*	*Expenditures as a Percent of National Average*
NATIONAL AVERAGE	$3,723	-	100
WEST NORTH CENTRAL			
Minnesota	**3,982**	**15**	**107.0**
Kansas	3,914	17	105.1
Iowa	3,568	25	95.8
Nebraska	3,285	32	88.2
Missouri	3,155	34	84.7
North Dakota	3,059	37	82.2
South Dakota	2,967	39	79.7
EAST NORTH CENTRAL			
Wisconsin	4,247	11	114.1
Michigan	3,782	18	101.6
Illinois	3,621	22	97.3
Ohio	3,547	27	95.3
Indiana	3,159	33	84.9

Source: National Education Association, Data Search, Rankings of the States, 1986.

- During the 1985-86 school year, Minnesota state education expenditures per pupil in the public elementary and secondary schools were roughly $3,982.
- Minnesota ranks 15th highest among the 50 states in education expenditures per pupil.
- Relative to the national average, Minnesota spent 7 percent more per pupil in the public elementary and secondary schools.
- Within the Midwest region, Minnesota ranks second only to Wisconsin in state expenditures per pupil in public and secondary schools.

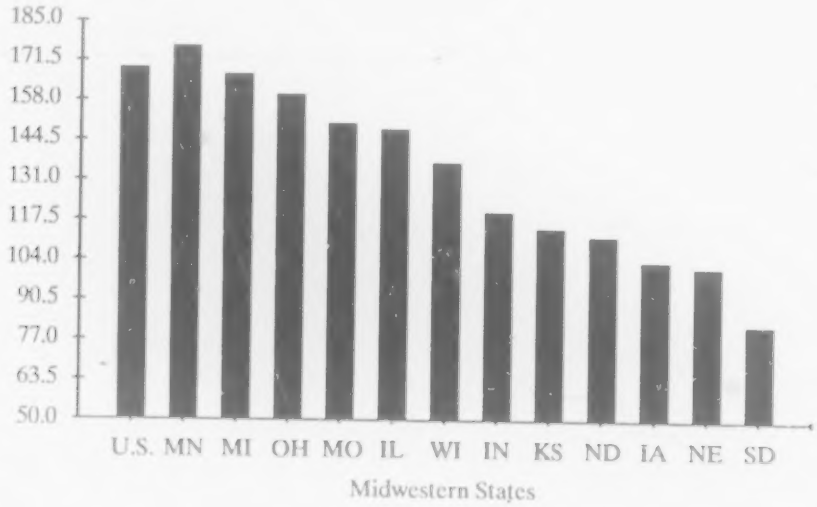
TABLE 7.9 MOST COMMON PROGRAMS OFFERED AT MINNESOTA VOCATIONAL-TECHNICAL INSTITUTES WITH NUMBER OF SCHOOLS INVOLVED, 1985-1986

AGRICULTURAL PRODUCTION	
Farm Business Management	20
Farm Operation and Management	12
Sheep Business Management	4
Agric. Supplies, Sales and Service	6
Agric. Equipment Mechanics	7
Horticulture and Landscaping	6
Forest Harvesting and Management	5
BUSINESS AND OFFICE	
Fashion Merchandising	7
Financial Services Marketing	3
General Retail Merchandising	7
Interior Design	3
Professional and Industrial Sales	4
Travel Services Marketing	4
Marketing Management	14
Small Business Management	23
Accounting/Bookkeeping	30
Banking and Finance	5
Data Processing	6
Computer Programming	4
Data Entry/Computer Operator	3
General Secretarial	26
Clerk-typist	15
Legal Secretarial	13
Medical Secretarial	13
Bus. Administrative Management	3
Word Processing	3
ALLIED HEALTH	
Dental Assistant	12
Medical Laboratory Technology	6
Practical Nursing	21
Nurse Assistant	9
Surgical Technology	4
Occupational Therapy Assistant	3
Medical Records/Health Unit Coord.	6
Respiratory Therapy	3
Human Services Technician	5
Medical Assistant Education	4
SERVICES	
Child Care and Guidance Services	5
Apparel Design and Production	4
Building Care and Maintenance	3
Cosmetology	8
Food Service	22
TECHNOLOGY AND TRADE	
Architectural Drafting	10
Civil/Highway Technician	4
Electronics Technology	17
Radio and Television Repair	4
Bio-medical Equip. Technology	4
Electro-medical Technology	3
Business Machine Repair	3
Robotics	3
Chemical Laboratory Technician	3
Mechanical Drafting	18
Fluid Power Technician	3
Telecommunications Systems Tech.	7
HVAC Technology	7
Major Appliance Repair	4
Automotive Body Repair	17
Auto Mechanics	27
Parts Sales and Service	9
Motorcycle Mechanics	3
Auto Machinist	3
Aircraft Mechanics	3
Commercial Art	7
Carpentry	18
Construction Electrician	11
Plumbing	4
Heavy Equipment Maintenance	4
Truck/Diesel Mechanics	16
Electrical Linework	3
Graphic and Printing Communications	10
Machine Shop Operations	19
Welding	23
Small Engine Mechanics	7
Millwork and Cabinet Making	3
Industrial Maintenance and Repair	3
Truck Driving	5

Source: Minnesota State Board of Vocational Technical Education, 1986.

- Minnesota has 33 publicly run vocational-technical institutes located throughout the state.
- Minnesota has the second largest vocational-technical system in the nation.
- All 75 programs listed above are offered in at least three and as many as 30 locations.

TABLE 7.10 NUMBER OF SCIENTISTS AND ENGINEERS EMPLOYED PER 10,000 RESIDENTS, 1984

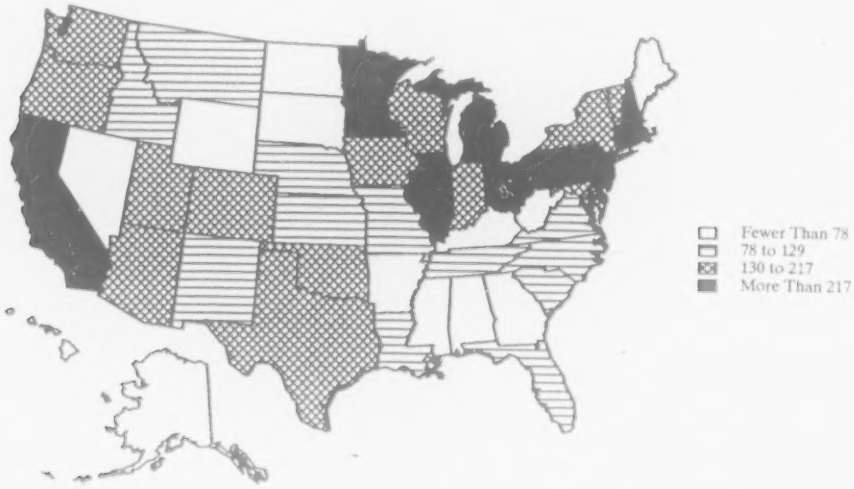


States and Regions	*Scientists*	*Engineers*	*Total*	*Per 10,000 Residents*	*U.S. Rank*
UNITED STATES	1,781,400	2,214,100	3,995,500	168.9	-
WEST NORTH CENTRAL					
Minnesota	**36,900**	**36,500**	**73,400**	**176.3**	14
Missouri	29,900	45,200	75,100	150.2	25
Kansas	13,200	14,800	28,000	114.8	35
North Dakota	5,700	2,000	7,700	112.1	38
Iowa	14,400	15,700	30,100	103.7	42
Nebraska	8,600	7,700	16,300	101.6	43
South Dakota	3,400	2,400	5,800	82.3	48
EAST NORTH CENTRAL					
Michigan	48,500	102,500	151,000	166.7	21
Ohio	63,400	108,300	171,700	159.9	23
Illinois	69,300	101,600	170,900	148.3	26
Wisconsin	27,800	37,400	65,200	136.9	28
Indiana	25,500	40,500	66,000	120.2	34

Source: U.S. Scientists and Engineers: 1984, Survey of Science Resources Series, National Science Foundation.

- Minnesota ranks 14th among all states in the number of scientists and engineers employed per 10,000 residents.
- Within the Midwest region, Minnesota is the leader in the relative abundance of employed scientists and engineers.
- The number of scientists and engineers employed per 10,000 Minnesota residents is higher than the national average.

TABLE 7.11 PATENTS ISSUED IN STATE PER MILLION RESIDENTS, 1986



1	Connecticut	451
2	Delaware	434
3	New Jersey	399
4	Massachusetts	275
5	Michigan	249
6	**Minnesota**	**247**
7	New Hampshire	235
8	Illinois	229
9	Ohio	223
10	California	222
11	Pennsylvania	218
12	Oklahoma	209
13	New York	207
14	Arizona	196
15	Wisconsin	184
16	Colorado	182
17	Vermont	176
18	Indiana	172
19	Utah	160
20	Maryland	149
21	Texas	149
22	Oregon	148
23	Rhode Island	143
24	Washington	140
25	Iowa	130
26	Florida	110
27	Missouri	110
28	New Mexico	105
29	Virginia	100
30	North Carolina	98
31	Nebraska	89
32	Louisiana	87
33	Montana	84
34	Idaho	81
35	South Carolina	80
36	Tennessee	80
37	Kansas	78
38	Kentucky	76
39	Nevada	76
40	Wyoming	73
41	Alabama	69
42	Georgia	68
43	North Dakota	66
44	West Virginia	64
45	Maine	59
46	South Dakota	58
47	Alaska	49
48	Arkansas	36
49	Hawaii	35
50	Mississippi	27

NATIONAL AVERAGE 176

Source: Commissioner of Patents and Trademarks, Annual Report, Fiscal Year, 1986, U.S. Department of Commerce, Patent and Trademark Office.

- Minnesota ranks sixth among the 50 states with 247 patents issued for every million residents. The national average is 176 patents.
- The number of patents issued in Minnesota is more than double that of the state's southern and western neighbors.
- Patents are concentrated in the Northeast and Great Lakes regions of the country, and are low in the South and Great Plains areas.
- Minnesota ranks next to Michigan in leading the Midwest region in the number of patents issued per million residents.

TABLE 7.12 INDUSTRY RESEARCH AND DEVELOPMENT EXPENDITURES PER CAPITA, 1985

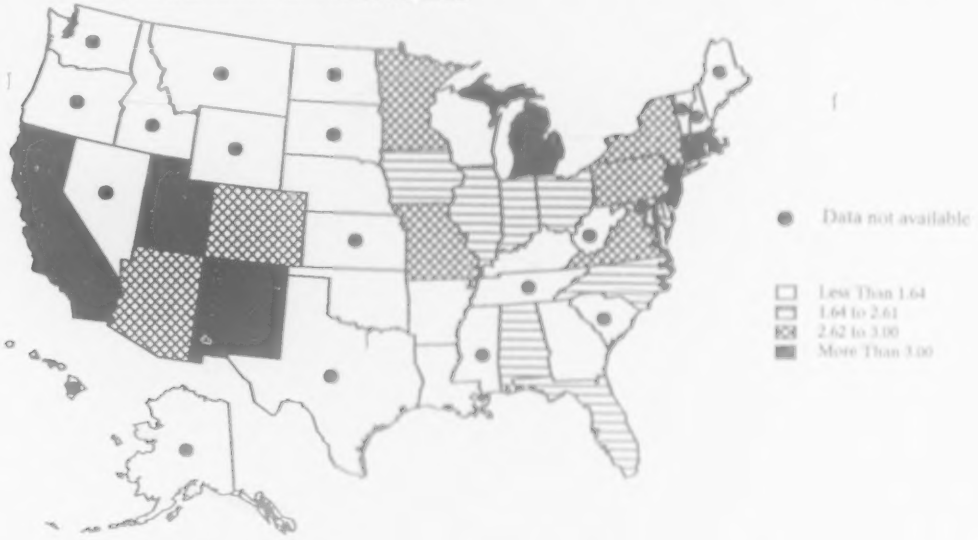
1	New Jersey	$733.5
2	Massachusetts	716.8
3	California	673.6
4	Michigan	657.5
5	Connecticut	622.6
6	Washington	495.1
7	**Minnesota**	**470.1**
8	Idaho	416.9
9	New York	394.7
10	Maryland	327.2
11	Arizona	314.4
12	Pennsylvania	301.2
13	New Hampshire	294.6
14	Colorado	283.8
15	Illinois	280.1
16	Ohio	265.0
17	Indiana	260.6
18	Missouri	240.2
19	Texas	213.3
20	Rhode Island	204.5
21	Utah	192.7
22	Florida	161.2
23	Wisconsin	141.6
24	Virginia	140.2
25	North Carolina	127.4
26	Kansas	$116.3
27	South Carolina	116.2
28	Tennessee	113.0
29	Iowa	109.9
30	Oregon	106.1
31	Alabama	96.2
32	Oklahoma	92.1
33	Georgia	86.2
34	Kentucky	59.3
35	Louisiana	41.7
36	Nebraska	26.2
37	Mississippi	23.7
38	North Dakota	14.6
39	South Dakota	9.9
40	Arkansas	6.4
41	Wyoming	5.9
42	Alaska	(D)
43	Delaware	(D)
44	Hawaii	(D)
45	Maine	(D)
46	Montana	(D)
47	Nevada	(D)
48	New Mexico	(D)
49	Vermont	(D)
50	West Virginia	(D)

NATIONAL AVERAGE 327.6

Source: Division of Science Resources Studies, National Science Foundation.
(Note: Research and Development funds include companies' own funds and federal funds spent by companies to perform research and development.
D indicates data withheld to avoid disclosing operations of individual companies.)

- In 1985, Minnesota spent $470 per capita in industry research and development programs.
- Minnesota's expenditures in industrial research and development were 43 percent higher than the national average.
- Among the 50 states, Minnesota ranks seventh highest in industry research and development expenditures per capita.
- Michigan and Minnesota are the two states in the Midwest region that have the highest expenditures in industrial research and development programs.

TABLE 7.13 TOTAL RESEARCH AND DEVELOPMENT EXPENDITURES AS PERCENT OF STATE PERSONAL INCOME 1982



1	New Mexico	11.52	15	Florida	2.50
2	Massachusetts	5.92	16	Ohio	2.39
3	Michigan	4.82	17	Indiana	2.09
4	New Jersey	4.09	18	Illinois	2.04
5	California	4.08	19	Alabama	1.84
6	Connecticut	3.23	20	Iowa	1.69
7	Utah	3.01	21	North Carolina	1.64
8	Arizona	2.99	22	Wisconsin	1.55
9	Pennsylvania	2.88	23	Oklahoma	1.27
10	Colorado	2.74	24	Louisiana	0.98
11	Minnesota	2.73	25	Georgia	0.88
12	Missouri	2.73	26	Kentucky	0.75
13	New York	2.64	27	Arkansas	0.63
14	Virginia	2.62	28	Nebraska	0.53

NATIONAL AVERAGE 2.98

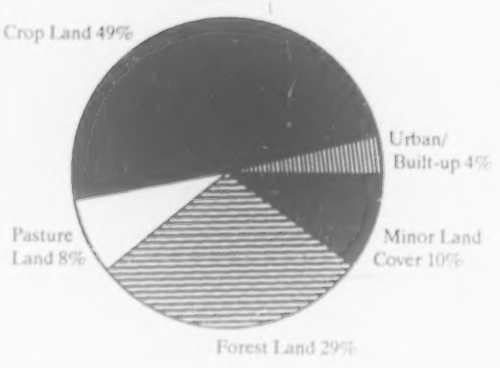
Source: National Governors Association, Programs for Innovation Technology Research: a State Strategies for Economic Development, December 1985. (Note: Total research and development expenditures include spending by industry, universities and federal laboratories. Data for other states are not available.)

- Minnesota spends about 2.73 percent of its total state personal income on research and development. This figure is about the same as the national average.
- Minnesota ranks 11th among the 28 states rated in terms of the percentage of the state's personal income devoted to research and development.
- In 1985, the University of Minnesota ranked second among state universities in research and development expenditures from various sources of funds: federal, state, local government, industry and other institutions.

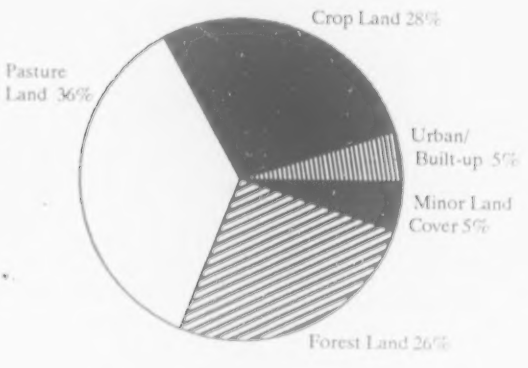
NATURAL AND CAPITAL RESOURCES

8

TABLE 8.1 LAND COVER/USE OF NON-FEDERAL LAND BY TYPE, 1982



MINNESOTA



UNITED STATES

		Minnesota		*United States*	
	Land Use	*Land Area (Thousand Acres)*	*Percent Distribution*	*Land Area (Thousand Acres)*	*Percent Distribution*
1.	Urban and Built-up	2,058.2	4%	73,560.9	5%
2.	Crop land	23,024.1	49	421,402.5	28
3.	Range/Pasture land	3,788.3	8	539,224.0	36
4.	Forest land	13,956.3	29	393,713.4	26
5.	Minor land cover	4,630.4	10	69,754.5	5
	TOTAL	47,457.3		1,497,655.6	

Source: USDA, U.S. Soil Conservation Service, 1982 National Resources Inventory, Statistical Bulletin No. 756.
(Note: The built-up category includes land for residential, commercial, industrial and rural transportation purposes. Minor land cover includes farmsteads, ranch headquarters, mines, quarries, pits, small water areas, other rural lands and small built-up areas.)

- Nearly one-half of Minnesota's land is devoted to crop production, much more than the national average of 28 percent.
- The relative distribution of urban and built-up land is slightly less in Minnesota than in the nation.
- Minnesota has a relatively low percentage of land devoted to range or pasture production.
- Forest production, the second largest land use type in the state, covers 29 percent of Minnesota's land area. Its share is 3 percent higher than the national average.
- Minor land cover, which includes small water and small built-up areas, represents nearly 10 percent of Minnesota's land use. Minnesota's share is nearly twice the U.S. average in this land use category.

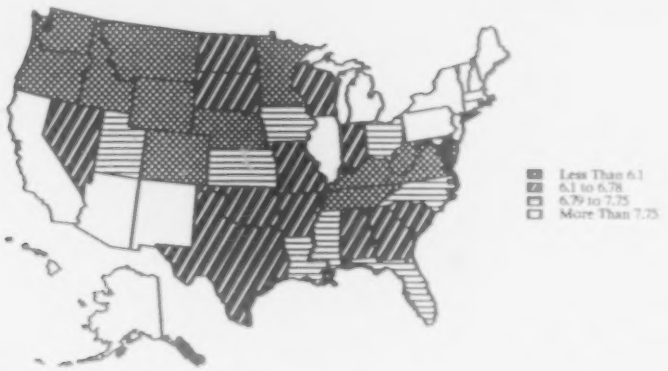
TABLE 8.2 PERCENTAGE OF RENEWABLE WATER SUPPLY AVAILABLE BY RESOURCE REGION, 1983

	Resource Region	*Percent Supply*		*Resource Region*	*Percent Supply*
NE	New England	99%	LM	Lower Mississippi	91%
TN	Tennessee	99	AR	Arkansas-White-Red	84
GL	Great Lakes	98	TG	Texas-Gulf	75
MA	Mid-Atlantic	98	UC	Upper Colorado	71
OH	Ohio	98	MO	Missouri	69
SA	South Atlantic-Gulf	98	CA	California	66
UM	Upper Mississippi	97	GB	Great Basin	59
PN	Pacific Northwest	95	RG	Rio Grande	41
SR	Souris-Red-Rainy	92	LC	Lower Colorado	0

Source: U.S. Geological Survey, Water Supply Paper 2250, "National Water Summary, 1983," U.S. Geological Survey, Circular 1001, "Estimated Use of Water in the United States, 1980."
(Note: Data refers to the percentage of the renewable water supply in each water resource region that remains after consumption.)

- Minnesota is served by four water resource regions: Upper Mississippi, Great Lakes, Souris-Red-Rainy and Missouri.
- Of Minnesota's four water basins, only Missouri, serving a small corner of the state, has had more than 10 percent of the renewable water supply consumed.
- Consumption in the Upper Mississippi basin, which serves the largest area of Minnesota, takes up only 3 percent of the renewable water supply.
- A sharp distinction in available water supply exists between the southwestern states, which consume more than 25 percent of this resource, and the rest of the United States, including Minnesota.

TABLE 8.3 AVERAGE ELECTRICITY PRICES FOR COMMERCIAL/INDUSTRIAL USERS, 1986



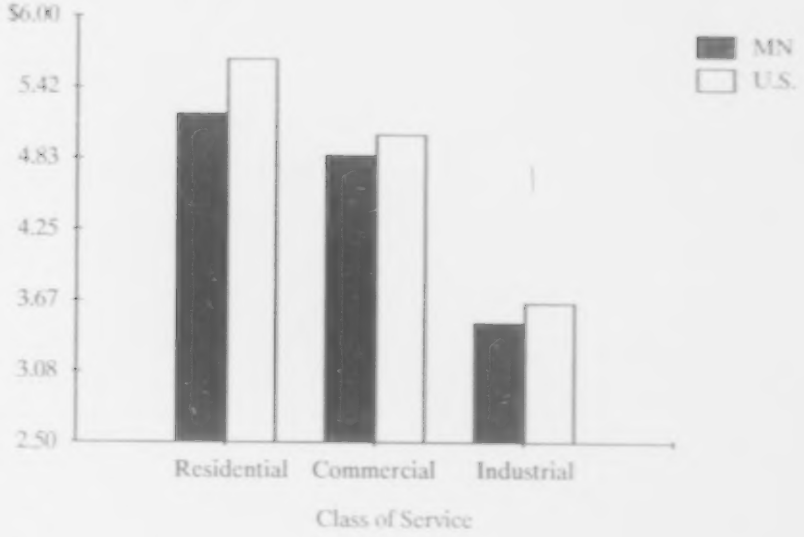
Rank	State	Cents Per Kilowatt Hour (c/kWh)	Rank	State	Cents Per Kilowatt Hour (c/kWh)
1	Washington	3.73	26	Florida	6.86
2	Idaho	4.22	27	North Carolina	6.86
3	Montana	4.65	28	Utah	6.97
4	Oregon	4.89	29	Iowa	6.99
5	Wyoming	5.55	30	Mississippi	7.03
6	West Virginia	5.65	31	Kansas	7.09
7	Nebraska	5.69	32	Ohio	7.11
8	Kentucky	5.75	33	Maryland	7.22
9	Colorado	5.81	34	Louisiana	7.45
10	Virginia	5.93	35	Rhode Island	7.73
11	Tennessee	6.02	36	Maine	7.75
12	**Minnesota**	**6.07**	37	Massachusetts	7.75
13	Indiana	6.10	38	Pennsylvania	7.77
14	Texas	6.13	39	New Hampshire	7.89
15	South Carolina	6.21	40	Michigan	7.90
16	Wisconsin	6.34	41	Arizona	7.96
17	Missouri	6.37	42	Vermont	8.18
18	Oklahoma	6.44	43	New Mexico	8.19
19	Nevada	6.45	44	Illinois	8.20
20	South Dakota	6.49	45	Connecticut	8.33
21	North Dakota	6.57	46	California	8.82
22	Georgia	6.61	47	Alaska	8.84
23	Alabama	6.76	48	Hawaii	9.19
24	Arkansas	6.77	49	New Jersey	9.40
25	Delaware	6.79	50	New York	10.27

NATIONAL AVERAGE 7.26

Source: Statistical Yearbook of the Electric Utility Industry, 1986, Edison Electric Institute.

- At 6.07 cents per kilowatt hour, electricity prices for commercial and industrial users in Minnesota are 16 percent below the national average.
- Minnesota has the second lowest electricity rates of all states in the Midwest region, next to Nebraska.
- Only 11 states have lower electricity rates for commercial and industrial users than Minnesota, with five of the lowest states located in the Pacific and Mountain regions of the country.

TABLE 8.4 AVERAGE NATURAL GAS PRICES BY CLASS OF SERVICE, 1986

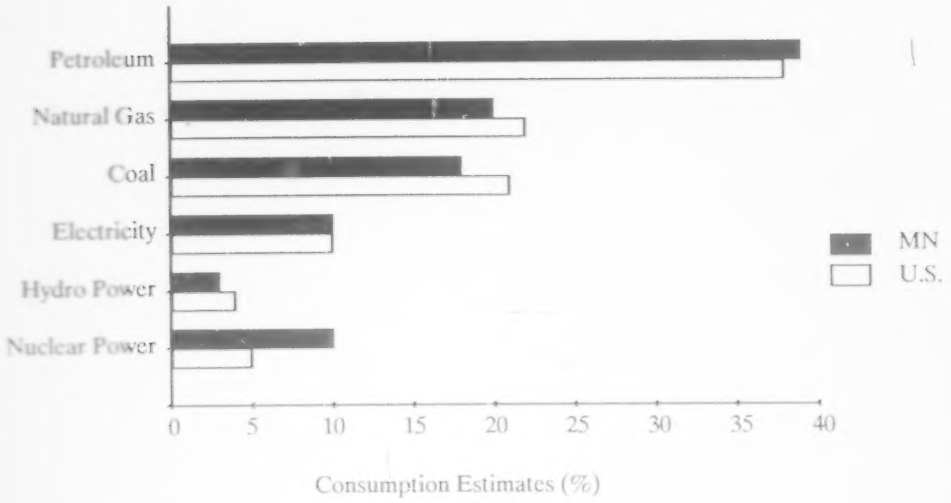


Division	*Residential Dollars Per Million Btu ($/MMBtu)*	*Commercial Dollars Per Million Btu ($/MMBtu)*	*Industrial Dollars Per Million Btu ($/MMBtu)*
Minnesota	**$5.20**	**$4.86**	**$3.48**
United States	5.65	5.03	3.65
New England	7.57	6.49	4.65
Middle Atlantic	6.90	5.94	4.40
East North Central	5.34	4.80	4.11
West North Central	4.85	4.28	3.36
South Atlantic	6.51	5.40	3.77
East South Central	5.31	4.76	3.59
West South Central	5.03	4.25	2.87
Mountain	5.04	4.46	3.46
Pacific	5.05	5.51	3.78

Source: Gas Facts, 1987 Data, The American Gas Association.

- At $5.20 per million Btu, the average natural gas prices for residential, commercial and industrial users are relatively lower in Minnesota than in the United States.
- Commercial and industrial natural gas prices in the Midwestern states range from $3.36 to $4.80 per MMBtu.
- Natural gas prices for commercial and industrial users are lowest in the West South Central states and generally increase with distance from this source of supply.
- Natural gas prices for residential, commercial and industrial purposes are highest in the New England and Middle Atlantic states, where they are well above the national average.

TABLE 8.5 PERCENTAGE DISTRIBUTION OF TOTAL ENERGY CONSUMPTION BY MAJOR SOURCE, 1986



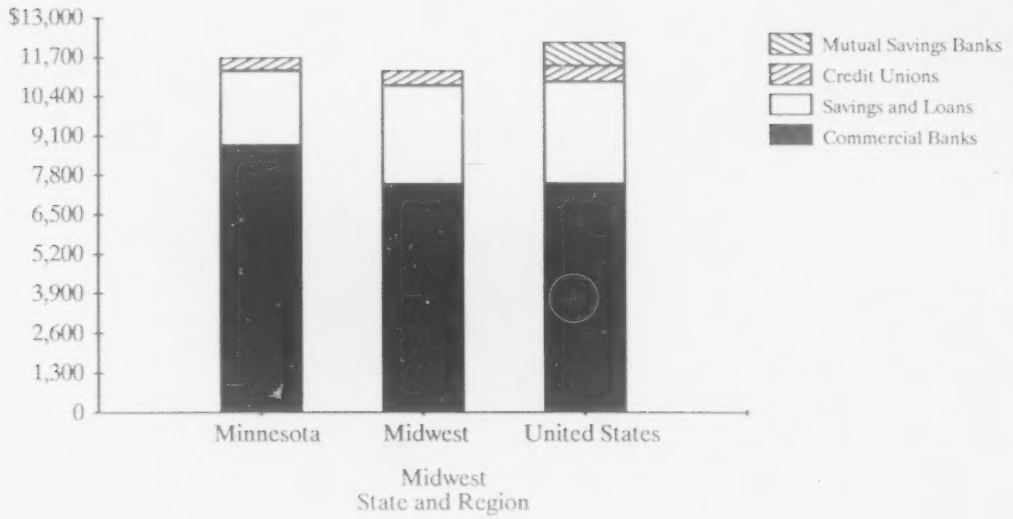
Energy Consumption Estimates By Source And End-use Sector, 1986

	Petroleum *(Trillion Btu)*	*Natural Gas* *(Trillion Btu)*	*Coal* *(Trillion Btu)*	*Electricity* *(Trillion Btu)*	*Hydro Power* *(Trillion Btu)*	*Nuclear Power* *(Trillion Btu)*	*Total* *(Trillion Btu)*
MINNESOTA:							
Residential	37.8	107.3	1.6	46.2	-	-	192.9
Commercial	22.1	77.5	3.0	24.8	-	-	127.4
Industrial	108.1	66.7	22.6	60.4	1.5	-	259.3
Transportation	326.9	6.3	0.0	-	-	-	333.2
Elect. Utility	0.3	1.3	200.6	-	36.2	125.1	363.5
Total	495.2	259.1	227.8	131.4	37.7	125.1	1,276.3
Percent Share	39.0%	20.0%	18.0%	10.0%	3.0%	10.0%	
UNITED STATES:							
Total	30,924.7	17,868.9	17,520.2	7880.2	3,364.1	4,147.3	81,705.4
Percent Share	38.0%	22.0%	21.0%	10.0%	4.0%	5.0%	

Source: State Energy Data Report, Consumption Estimates, 1980 to 1986, Energy Information Administration, U.S. Department Of Energy.

- Petroleum, the chief fuel for the transportation end-use sector, is the largest energy source for both Minnesota and the nation, accounting for 39 percent and 38 percent of the total consumption, respectively.
- With the exception of nuclear power, Minnesota's share of energy from each of the major sources is almost the same as that of the United States.
- Used primarily in the generation of electricity, coal is Minnesota's third largest fuel source.
- The share of energy from natural gas is below the U.S. average although gas is the primary source for residential and commercial end-users.
- Minnesota gets 10 percent of its energy from nuclear power, twice the share of the United States.

TABLE 8.6 DOMESTIC DEPOSITS PER CAPITA BY TYPE OF FINANCIAL INSTITUTION, 1985



	Minnesota	*Midwest*	*United States*
Commercial Banks	$8,764.89	$7,479.88	$7,496.34
Savings and Loans	2,480.85	3,273.15	3,383.09
Credit Unions	444.68	494.91	523.28
Mutual Savings Banks	0.00	0.00	778.84
TOTAL	11,690.42	11,247.94	12,181.55

Source: *Statistical Abstract of the U.S., 1987*, U.S. Department of Commerce, Bureau of the Census.

- Minnesota's financial institutions have $11,690.42 in deposits for every resident, slightly lower than the national average, but above that of the Midwest region.
- Minnesota provides a large source of commercial capital. Nearly 75 percent of all deposits are housed in commercial banks compared with only 67 percent in the region and 62 percent nationwide.
- After commercial banks, most of the remaining deposits in Minnesota reside in savings and loans institutions, and about 4 percent are held by credit unions.
- Mutual savings bank deposits do not exist in either Minnesota or the Midwest region.

TABLE 8.7 SIZE OF VENTURE CAPITAL FUNDS PER CAPITA, 1984

1	Massachusetts	202.7	26	Missouri	4.0
2	Rhode Island	183.6	27	Oklahoma	3.3
3	California	123.1	28	Michigan	2.7
4	New York	110.6	29	Idaho	2.0
5	Connecticut	103.5	30	Kentucky	2.0
6	Illinois	62.1	31	North Carolina	1.8
7	Virginia	57.1	32	Hawaii	1.4
8	Colorado	38.3	33	Mississippi	1.2
9	Maryland	31.6	34	Alabama	n/a
10	New Mexico	22.8	35	Alaska	n/a
11	Oregon	19.3	36	Arkansas	n/a
12	Texas	18.2	37	Delaware	n/a
13	**Minnesota**	**18.0**	38	Indiana	n/a
14	Iowa	17.9	39	Maine	n/a
15	Kansas	17.9	40	Montana	n/a
16	Ohio	13.5	41	Nebraska	n/a
17	Washington	12.6	42	Nevada	n/a
18	Arizona	12.1	43	New Hampshire	n/a
19	New Jersey	11.8	44	North Dakota	n/a
20	Pennsylvania	9.8	45	South Dakota	n/a
21	Wisconsin	7.4	46	Tennessee	n/a
22	Florida	4.4	47	Utah	n/a
23	Georgia	4.4	48	Vermont	n/a
24	Louisiana	4.4	49	West Virginia	n/a
25	South Carolina	4.2	50	Wyoming	n/a

NATIONAL AVERAGE $39.2

Source: Indicators of Economic Capacity, December 1986, Ameritrust Corporation and SRI International.
(Note: Venture capital is the amount of capital resources available from financial institutions (venture capital companies) given to local high-risk start-up firms. n/a indicates no information is available.)

- Minnesota has a relatively active venture capital market and scores 13th among the 33 states with available data in size of venture capital funds per capita.
- Among the Midwestern states, Minnesota ranks second to Illinois in size of venture capital funds per capita.
- States in the New England and Pacific regions have the highest venture capital funds on a per capita basis.
- The East South Central region has the least amount of venture capital funds available on a per capita basis.

TABLE 8.8 MAJOR SOURCES OF BUSINESS FINANCING IN MINNESOTA, 1987

I. Public Sources of Funds:
  1. Federal Programs
    A. U.S. Small Business Administration (SBA)
      - Guaranteed Loan Program
      - 504 Loan Program
    B. U.S. Department of Housing and Urban Development
      - Urban Action Development Program (UDAG)
    C. Farm Credit Services
      - Long-term Loans to Farmers
    D. Farmer's Home Administration (FmHA)
      - Guaranteed Loan Programs

  2. State Programs
    A. Minnesota Department of Trade and Economic Development
      - Agricultural Resource Loan Guarantee Program
      - Challenge Grant Program
      - Economic Development Grants
      - Export Loan Guarantee Program
      - Minnesota Development Program
      - Minnesota Enterprise Zone Program
      - Opportunities Minnesota Incorporated (OMNI) 504 Program
      - Small Business Development Loan Program
    B. Indian Business Program
    C. The Greater Minnesota Corporation

II. Private Sources of Funds:
  1. Venture Capital Small Business Investment Companies (SBIC)
    - Stimulate the flow of private equity capital and long-term loans to small businesses.
    - Total in Minnesota: 10

  2. Venture Capital Firms
    - Operate in the same manner as SBICs.
    - Total in Minnesota: 31

Source: A Guide to Starting Business in Minnesota, September 1987, Minnesota Small Business Assistance Office, Minnesota Department of Trade and Economic Development, *Resource Minnesota*, 1988, Minnesota Department of Trade and Economic Development.

- Minnesota has a variety of state programs that provide major sources of financing for new and existing businesses.

- The state loan guarantee programs provide private sector loans to facilitate business expansions that entail unusual, but reasonable, levels of risk.

- In addition to the state capital formation initiatives, there are approximately 41 private sources of venture capital in Minnesota that stimulate the flow of private equity capital and provide long-term loans to businesses.

TABLE 8.9 BUSINESS INCENTIVE PROGRAMS AVAILABLE IN MINNESOTA AND TOTAL NUMBER OF OTHER STATES WITH SIMILAR PROGRAMS, 1987

FINANCIAL ASSISTANCE FOR INDUSTRY	
State-sponsored Industrial Development Authority	38
Privately Sponsored Development Credit Corporation	37
State Authority or Agency Revenue Bond Financing	44
State Authority or Agency General Obligation Bond Financing	14
Loans for Building Construction, Equipment and Machinery	36
State Financing Aid for Existing Plant Expansion	41
State Matching Funds for Local Industrial Financing Programs	20
Incentives for Establishing Plant in Areas of High Unemployment	31
TAX INCENTIVES FOR INDUSTRY	
Corporate Income Tax Exemption	33
Personal Income Tax Exemption	27
Excise Tax Exemption	19
Tax Exemption or Moratorium on Land and Capital Improvements	34
Tax Exemption or Moratorium on Equipment and Machinery	35
Inventory Tax Exemption on Goods in Transit	48
Tax Exemption on Manufacturer's Inventories	44
Sales/Use Tax Exemption on New Equipment	44
Tax Exemption on Raw Materials Used in Manufacturing	45
Tax Incentive for Creation of Jobs	32
Tax Credits for Use of Specified State Products	6
Tax Stabilization Agreements for Specified Industries	5
Tax Exemption to Encourage Research and Development	25
Accelerated Depreciation of Industrial Equipment	35
SPECIAL SERVICES FOR INDUSTRIAL DEVELOPMENT	
City/County Financed Speculative Building	28
Free Land for Industry Provided by Cities and Counties	25
City/County Owned Industrial Park Sites	49
State Funds for Local Development-Related Public Works Projects	45
State Funds for City/County Master Plans	33
State Funds for City/County Recreational Projects	42
State Funds for Private Recreational Projects	12
State Program to Promote Research and Development	46
State Program to Increase Exports of Products	50
State-supported Training of "Hard-core" Unemployed	46
State Incentive to Industry to Train "Hard-core" Unemployed	36
State Help in Bidding on Federal Procurement Contracts	40
State Science and Technology Advisory Council	43
STATE INCENTIVES FOR POLLUTION CONTROL	
Real Property Tax Exemption	35
Credit Against Corporate Income Tax	18
Accelerated Depreciation of Pollution Control Equipment	33
State Financing Program for Equipment Purchase and Installation	46

Source: Industrial Development and Site Selection Handbook, October 1987.

- Four major business incentive programs are offered to Minnesota businesses: financial assistance, tax incentives, special services for industrial development and state incentives for pollution control. A total of 39 subprograms are available under these four major programs.
- Seven of the listed incentives are available in less than one-half of the nation's 50 states.

TRANSPORTATION
9

TABLE 9.1 DISTANCE, TRAVEL TIME AND NUMBER OF FLIGHTS TO MAJOR U.S. CITIES FROM TWIN CITIES, 1986

Cities	*Road Distance (miles)*	*Road Time (nearest hour)*	*Air Time (hours and minutes)*	*Number of Daily Flights*		
				Non-stop	*One-stop*	*Connect*
Atlanta	1,152	22	2:20	10	1	10
Boston	1,439	28	2:30	5	1	21
Chicago	430	8	1:10	38	-	-
Dallas	1,013	20	2:20	8	1	18
Denver	941	18	1:50	14	-	4
Detroit	717	14	1:45	11	8	11
Los Angeles	2,007	39	3:30	6	2	25
Miami	1,840	35	3:20	2	-	17
New Orleans	1,218	25	3:40	3	-	13
New York City	1,261	24	2:20	14	2	29
Phoenix	1,677	30	2:10	4	3	13
Portland	1,724	31	3.25	2	2	10
St. Louis	540	12	1:20	11	-	-
San Francisco	2,005	40	3:20	6	4	20
Seattle	1,684	32	3:20	8	-	8
Washington, D.C.	1,183	23	2:10	12	5	38

Source: Rand McNally Road Atlas, 1985; Official North American Airline Guide, May 1987.

- The geographic location of Minnesota in the center of the country makes it an attractive place for businesses serving markets nationwide.
- Minneapolis/St. Paul can be reached in less than 40 hours by road from major urban centers of the country, and in less than four hours by air.
- Direct flights are available to all of the major cities listed, and there are at least six daily non-stop flights available to 11 of the 16 major destinations.
- Chicago, Denver, New York and Washington, D.C.,are all less than two and one-half hours from the Twin Cities by air and served by at least 12 daily non-stop flights.
- A total of 183 daily direct and one-stop flights originate from the Minneapolis/St. Paul International Airport. It is a designated terminal for 88 direct international flights every week, including 15 flights to the Orient with intermediate stops.

TABLE 9.2 LARGE AIR TRAFFIC HUBS, 1985

Area or Hub	*Aircraft Departures (per 1,000 residents)*	*Rank*	*Revenue Passengers Enplaned (per 1,000 residents)*	*Rank*	*Revenue Tons Enplaned (per 1,000 residents)*	*Rank*
Atlanta, GA	115	1	8,365	2	118	2
Denver, CO	110	2	8,589	1	62	4
Las Vegas, NV	108	3	8,307	3	13	24
Charlotte, NC	85	4	4,864	8	32	16
Newark, NJ	78	5	7,583	4	47	6
Dallas/Ft. Worth, TX	74	6	5,961	6	42	9
Orlando, FL	73	7	5,599	7	31	17
Honolulu, HI	68	8	7,337	5	131	1
St. Louis, MO	60	9	3,962	10	39	13
Salt Lake City, UT	56	10	4,036	9	34	15
Phoenix, AZ	54	11	3,582	13	12	25
Chicago, IL	52	12	3,683	12	65	3
Mpls/St. Paul, MN	**50**	**13**	**3,205**	**15**	**45**	**8**
Pittsburgh, PA	47	14	2,996	17	15	22
Houston, TX	44	25	3,109	16	25	19
Miami/Ft. Lauderdale, FL	40	16	3,707	11	47	7
Seattle/Tacoma, WA	37	17	2,547	19	48	5
Washington, D.C.	37	18	2,583	18	22	20
Boston, MA	36	19	3,218	14	42	10
Tampa/St. Petersburg, FL	33	20	2,269	22	14	23
Detroit/Ann Arbor, MI	27	21	1,564	25	27	18
San Franc./Oakland, CA	27	22	2,230	23	40	12
LA/Burbank/L. Beach, CA	26	23	2,409	20	36	14
New York, NY	24	24	2,323	21	40	11
San Diego, CA	23	25	1,843	24	8	26
Philadelphia, PA	15	26	995	26	17	21

Source: U.S. Federal Aviation Administration, Airport Activity Statistics. U.S. Statistical Abstract, 1987.

- Minneapolis/St. Paul is one of the 26 metropolitan areas to be designated as a large air traffic hub by the Federal Aviation Administration. It is served by 13 major airlines, 8 regional carriers and 12 charter carriers.
- During the first quarter of 1987, Minneapolis/St. Paul International Airport averaged only 11 flight delays per 1,000 operations; i.e., 66 percent below the average for the nation's 26 largest airports. Its operation is ranked by the International Federation of Airline Pilots as one of the five safest major airports in the world (US West Proposal, Minnesota Department of Trade and Economic Development, 1987).
- Minneapolis/St. Paul is one of only four large air traffic hubs serving the Midwest region. None of the states bordering Minnesota contains one.
- Minneapolis/St. Paul ranks 13th among the large air traffic hubs in aircraft departures per thousand residents.
- Cities that rank high in aircraft departures per capita tend to be tops in passengers, but not necessarily freight enplanements.
- Among large air taffic hubs, the Twin Cities rank higher in freight than passenger enplanements.

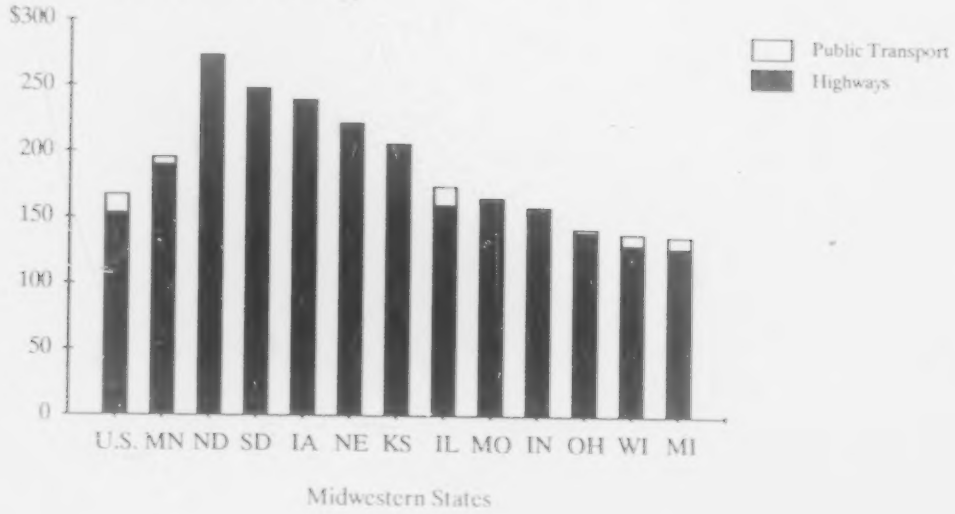
TABLE 9.3 AVERAGE ROUND-TRIP COMMUTING TIME IN 30 LARGEST METRO AREAS, 1980

Rank	*Metro Area*	*Time (minutes)*	*Rank*	*Metro Area*	*Time (minutes)*
1	Milwaukee, WI	42.7	16	Anaheim, CA	51.9
2	San Diego, CA	43.1	17	Miami, FL	52.1
3	**Mpls./St. Paul, MN**	**44.2**	18	Dallas, TX	52.8
4	Tampa-St. Petersburg, FL	45.1	19	Los Angeles, CA	53.5
5	Phoenix, AZ	47.7	20	Atlanta, GA	54.3
6	Riverside, CA	48.4	21	San Francisco, CA	55.2
7	Denver, CO	48.6	22	Newark, NJ	55.9
8	Cincinnati, OH	49.3	23	Oakland, CA	56.3
9	San Jose, CA	50.2	24	Philadelphia, PA	56.3
10	Pittsburgh, PA	50.4	25	Baltimore, MD	58.3
11	St. Louis, MO	50.6	26	Houston, TX	58.5
12	Seattle, WA	50.8	27	Chicago, IL	63.8
13	Detroit, MI	51.3	28	Washington, DC	64.5
14	Cleveland, OH	51.5	29	Nassau-Suffolk, NY	70.6
15	Boston, MA	51.7	30	New York City, NY	81.0
AVERAGE (LARGEST MSA)		49.7			

Source: U.S. Bureau of the Census, Census of Population and Housing, 1980.

- The average daily commuting time for workers in the Minneapolis/St. Paul area is 44.2 minutes, less than the average for all large MSAs.
- The Twin Cities metropolis has the third shortest daily commuting time among large urban areas.
- Of the 30 largest metropolitan areas in the United States, only eight have an average commuting time below the national average.
- Among large metropolitan areas, all but one of those ranked in the top 10 in average commuting time are less populated than Minneapolis/St. Paul.
- There is little geographic pattern to commuting times for metropolitan areas. Cities from all parts of the United States are found among those ranked at the top, as well as those near the bottom.

TABLE 9.4 PER CAPITA STATE EXPENDITURES ON HIGHWAYS AND PUBLIC TRANSPORTATION, 1986

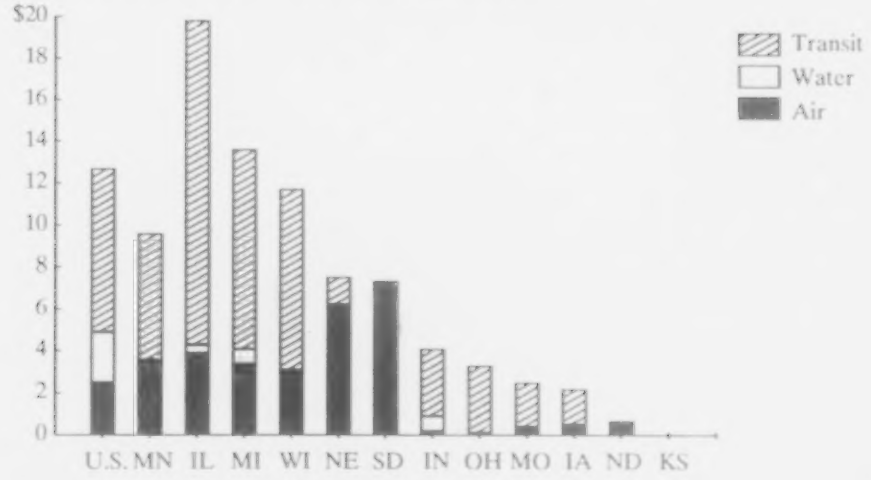


States and Regions	*Highways*	*U.S. Rank*	*Public Transport*	*U.S. Rank*
WEST NORTH CENTRAL				
North Dakota	$273.1	4	$0.0	48
South Dakota	248.1	5	0.0	49
Iowa	238.4	7	1.0	27
Nebraska	220.8	13	1.0	26
Kansas	206.2	17	0.0	47
Minnesota	**188.9**	**21**	**7.0**	**17**
Missouri	165.3	30	0.0	34
EAST NORTH CENTRAL				
Illinois	158.9	35	15.0	11
Indiana	155.4	36	3.0	20
Ohio	139.1	40	3.0	19
Wisconsin	129.5	43	9.0	15
Michigan	127.1	44	10.0	13
NATIONAL AVERAGE	$152.5	-	$15.0	-

Source: State Government Finances in 1986, Government Finances, GF86-No. 3.

- Minnesota's funding appropriations on state highways and public transportation are higher than the national average.
- On a per capita basis, Minnesota ranks 21st and 17th in the nation on state highway and public transportation expenditures, respectively.
- Minnesota's neighboring states in the West North Central region evidently have higher state expenditures on highways and very little or no expenditures for public transportation.
- Minnesota spends about $350 million per year on state trunk highway construction and more than $110 million per year on state trunk highway maintenance. (Minnesota Department of Transportation)

TABLE 9.5 PER CAPITA STATE EXPENDITURES ON AIR TRANSPORTATION, WATER TRANSPORT AND TRANSIT SUBSIDIES, 1986

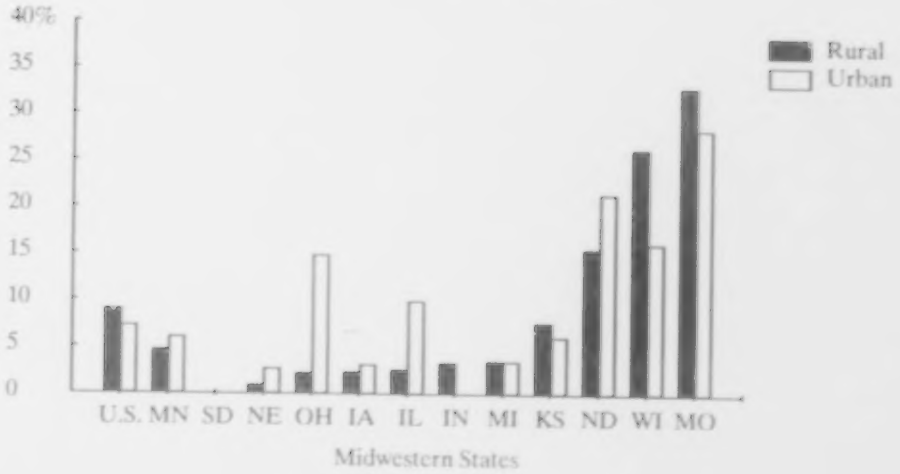


States and Regions	*Air Transport*	*U.S. Rank*	*Water Transport*	*U.S. Rank*	*Transit Subsidies*	*U.S. Rank*
WEST NORTH CENTRAL						
South Dakota	$7.3	6	$0.0	-	$0.0	46
Nebraska	6.2	8	0.0	-	1.3	22
Minnesota	**3.6**	**10**	**0.0**	-	**6.0**	**12**
North Dakota	0.7	28	0.0	-	0.0	43
Iowa	0.5	31	0.0	-	1.7	19
Missouri	0.3	36	0.1	20	2.1	18
Kansas	0.0	48	0.0	-	0.0	35
EAST NORTH CENTRAL						
Illinois	3.9	9	0.4	18	15.5	7
Michigan	3.4	11	0.7	15	9.5	9
Wisconsin	3.1	13	0.0	-	8.6	10
Indiana	0.2	38	0.7	16	3.2	15
Ohio	0.1	44	0.0	-	3.2	15
NATIONAL AVERAGE	$2.5	-	$2.4	-	$7.8	-

Source: State Government Finances in 1986, Government Finances, GF86-No. 3.

- The state of Minnesota spends roughly $3.60 on air transportation on a per capita basis, 44 percent more than the U.S. average.
- It ranks 10th highest among the 50 states on per capita expenditures related to air transportation.
- Minnesota expenditures on state transit subsidies are $6.00 per capita, slightly lower than the U.S. average of $7.80.
- The subsidy provided by the state of Minnesota on public transit ranks 12th highest in the nation on a per capita basis.

TABLE 9.6 INTERSTATE PAVEMENT CONDITION, PERCENT MILES WITH PRESENT SERVICEABILITY RATING OF LESS THAN 2.5, 1986

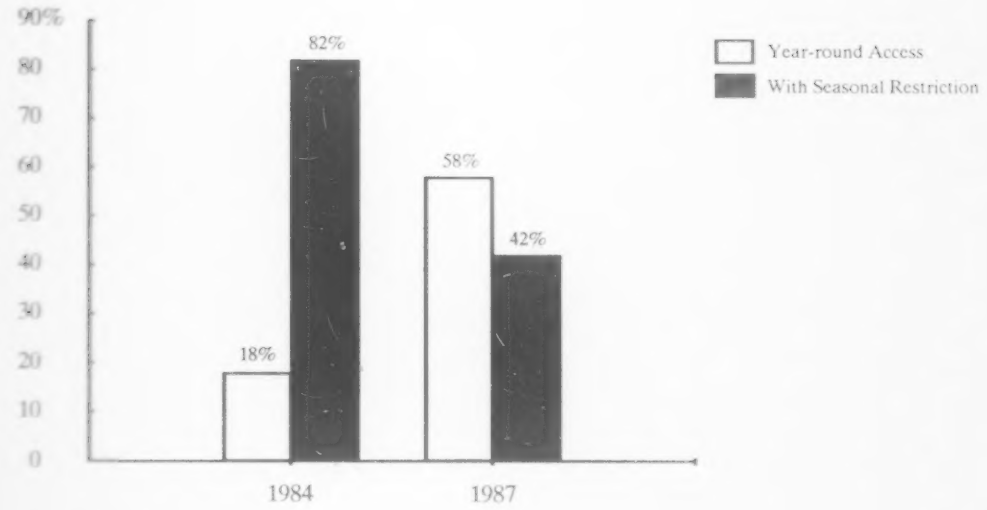


States and Regions	*Rural Interstate*	*U.S. Rank*	*Urban Interstate*	*U.S. Rank*
WEST NORTH CENTRAL				
South Dakota	0.0%	9	0.0%	7
Nebraska	0.9	17	2.7	15
Iowa	2.3	23	3.1	16
Minnesota	**4.7**	**29**	**6.0**	**30**
Kansas	7.6	33	6.1	31
North Dakota	15.5	42	21.4	45
Missouri	32.9	48	28.4	47
EAST NORTH CENTRAL				
Ohio	2.2	22	14.8	40
Illinois	2.6	24	9.9	36
Indiana	3.3	25	0.0	4
Michigan	3.5	28	3.5	20
Wisconsin	26.2	45	16.1	42
NATIONAL AVERAGE	9.0%	-	7.3%	-

Source: U.S. Department of Transportation, Highway Statistics, 1986.
(Note: Present Serviceability Rating (PSR) is a numerical value ranging from zero to five, reflecting poor pavement condition at the lower end of the scale and very good pavement condition at the higher values.)

- Minnesota's urban and rural interstate highways all have a smaller share of their mileage in poor pavement condition than the United States as a whole.
- Only 4.7 percent of Minnesota's interstate rural highway miles and 6 percent of interstate urban highway miles are in poor condition, i.e., with a serviceability rating of less than 2.5.
- Among all the 50 states, Minnesota ranks 29th and 30th lowest in rural and urban interstate highway mileage, respectively, with a PSR of less than 2.5.
- Among the neighboring states, South Dakota and Iowa have a lower share of miles in poor pavement condition than Minnesota.
- Wisconsin and North Dakota, however, have a higher interstate highway mileage in poor condition than both the United States and Minnesota.

TABLE 9.7 80,000 POUND TRUCK HIGHWAY SYSTEM, 1987



Source: Minnesota Department of Transportation, 1987.

- Year-round unrestricted 80,000-pound state trunk highway mileage has increased from 18 percent of the system in 1984 to 58 percent of the system in 1987.
- Minnesota has designated nearly 5,000 miles of the state trunk highway system as part of the National Truck System to accommodate twin trailers.
- The percentage of miles with seasonal weight restrictions has declined from 82 percent in 1984 to 42 percent in 1987.
- Approximately 3,600 intrastate carriers and 12,000 interstate carriers have authority to operate in Minnesota. (Minnesota Department of Transportation)

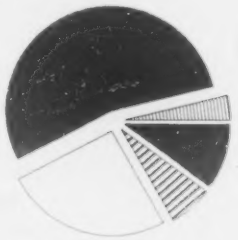
TABLE 9.8 TONNAGES HANDLED AT MINNESOTA PORTS, 1986

MINNESOTA'S GREAT LAKE PORTS

Ports and Tonnages Handled
(1,000 tons)

Silver Bay	1,450	3.4%
Duluth/Superior	30,103	69.7%
Two Harbors	6,156	14.3%
Taconite Harbor	5,457	12.6%

MINNESOTA'S RIVER PORTS



Rivers and Tonnages Handled
(1,000 tons)

Red Wing	504	3.7%
St. Paul	7,251	53.9%
Minnesota River	3,420	25.4%
Winona	906	6.7%
Minneapolis	1,372	10.2%

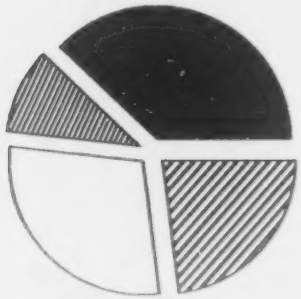
Minnesota Ports	*Waterborne Commerce (thousand short tons) 1980*	*1986*
GREAT LAKES SHIPMENTS		
Duluth/Superior	31,581	24,182
Two Harbors	11,158	6,156
Silver Bay	4,871	1,450
Taconite Harbor	7,028	5,457
St. Lawrence Seaway	10,145	5,921
Sub-total	64,783	43,166
MISSISSIPPI RIVER SHIPMENTS		
St. Paul	10,528	7,251
Minnesota River	3,410	3,420
Other Mississippi River Ports		
Winona	1,618	906
Minneapolis	2,247	1,372
Red Wing	643	504
Sub-total	18,446	13,453
GRAND TOTAL (Shipments)	83,229	56,619

Source: Minnesota Department of Transportation, Ports and Waterways Section, 1987.

- Minnesota has four Great Lakes ports and 62 active river terminals.
- Duluth/Superior is the nation's 11th largest port overall and has been the leading grain shipper among U.S. Great Lakes ports for the past 10 years.
- Duluth/Superior has the ability to move 25.8 million tons of grain and more than 28.3 million tons of other dry bulk commodities each year, while the other three ports combined can move more than 36 million tons of cargo per year.
- Fifty-one of Minnesota's river terminals are on the Mississippi River; nine are on the Minnesota River; and two are on the St. Croix River.
- All active river terminals in Minnesota have the capacity to move nearly 132 million tons of cargo. The river terminal in St. Paul handles about one-half of the river tonnage in Minnesota.

TABLE 9.9 MAJOR RAIL SYSTEM CARRIERS AND MINNESOTA RAIL SERVICE IMPROVEMENT PROGRAM, 1987

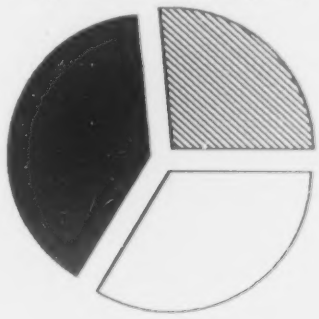
Major Rail System Carriers, 1987



Major Carriers and Mileage

Burlington Northern	1,980	37.9%
Chicago and Northwestern	541	10.4%
Soo Line	1,500	28.7%
Others	1,205	23.1%

Minnesota Rail Service Improvement Program, 1987



Investments (Thousands $)

Federal	$11,966	26.4%
State	$18,143	40.0%
Private	$15,282	33.7%

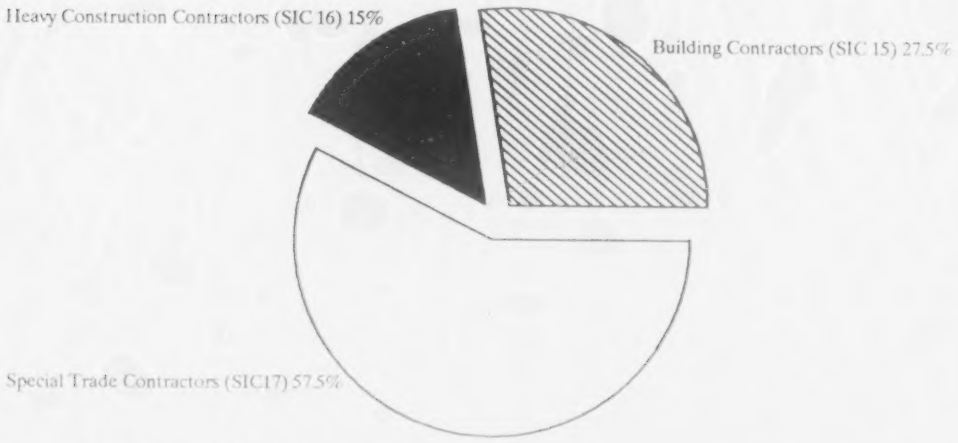
Source: Minnesota Department of Transportation, Rail Planning Section.

- Minnesota's rail system consists of three major carriers and 15 other small carriers that own 4,021 miles and 1,205 miles of track, respectively. As of January 1987, there were 5,226 miles of active railroad track across Minnesota.
- The Minnesota Rail Service Improvement Program was initiated to continue rail service on profitable lines that have been identified for abandonment. Since 1978, the program has rehabilitated 425 miles of rail line.
- Although taconite production is down, it remains Minnesota's leading commodity shipped by rail.
- Low sulfur western coal is the second leading commodity moved by rail.

CONSTRUCTION AND REAL ESTATE

10

TABLE 10.1 EMPLOYMENT IN THE CONSTRUCTION INDUSTRY, 1983 AND 1986



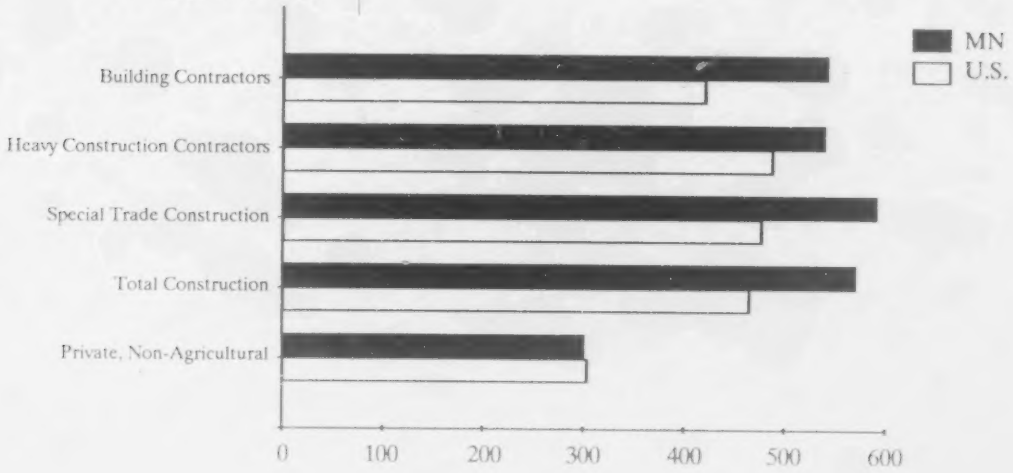
TOTAL MINNESOTA CONSTRUCTION EMPLOYMENT, 1986 = 74.9 Thousand

		Minnesota		*United States*	
SIC	*Description*	*1983 (Thousands)*	*1986 (Thousands)*	*1983 (Thousands)*	*1986 (Thousands)*
15	Building Contractors	17.1	20.6	1,019.6	1,293.3
152	Residential Building Construction	8.4	10.5	493.2	655.3
153	Operative Builders	0.8	0.6	54.8	56.4
154	Non-residential Building Construction	7.9	9.5	471.6	581.6
16	Heavy Const. Contractors	10.2	11.2	780.5	778.2
161	Highways and Street	5.6	5.6	230.7	271.2
162	Other Heavy Construction	4.6	5.6	549.8	506.2
17	Special Trade Contractors	33.1	43.1	2,147.6	2,832.1
-	TOTAL CONSTRUCTION	60.4	74.9	3,948.0	4,904.0
-	TOTAL PRIVATE, NON-AGRIC.	1,707.3	1,891.2	73,330.0	82,900.0

Source: Department of Jobs and Training, ES 202 Data. U.S. Department of Labor, Bureau of Labor Statistics. Supplement to Employment and Earnings, 1987. (Note: Special Trade Contractors include plumbing, heating, air conditioning, painting, electrical work, masonry, stonework, carpentry, flooring, roofing and sheet metal work.)

- Minnesota's construction industry employment has grown every year since 1983, rising from 60.4 thousand jobs that year to 74.9 thousand jobs in 1986, an increase of about 24 percent.
- The rate of employment growth in Minnesota's construction sector is similar to that of the U.S. average employment growth rate of 24 percent.
- In 1986, employment in Minnesota's construction industry was roughly 4 percent of the total private, non-agricultural employment, slightly lower than the U.S. average of 5.9 percent.
- Among the three major construction industries (two-digit level), the special trade industry (SIC 17) had the greatest number of employees for both Minnesota and the United States in 1986. More than one-half of the total employment in the construction sector was in this sub-industry category.

TABLE 10.2 AVERAGE WEEKLY WAGE IN THE CONSTRUCTION INDUSTRY, 1983 AND 1986



SIC	Description	Minnesota 1983 (Thousands)	Minnesota 1986 (Thousands)	United States 1983 (Thousands)	United States 1986 (Thousands)
15	Building Contractors	$511.50	$543.19	$392.72	$422.54
152	Residential Building Construction	-	-	353.70	392.40
153	Operative Builders	-	-	350.15	375.18
154	Non-residential Bldg. Construction	-	-	431.79	457.22
16	Heavy Const. Contractors	513.61	540.54	479.14	489.19
161	Highways and Street	-	-	427.87	479.29
162	Other Heavy Construction	-	-	501.60	494.51
17	Special Trade Construction	577.18	591.75	453.95	478.36
-	TOTAL CONSTRUCTION	547.56	570.71	442.97	466.38
-	TOTAL PRIVATE, NON-AGRIC.	280.69	301.12	280.70	304.85

Source: Department of Jobs and Training, CES 790 Data. U.S. Department of Labor, Bureau of Labor Statistics, Supplement to Employment and Earnings, 1987.

- The average weekly wage in the Minnesota construction industry has increased by 4.2 percent between 1983 and 1986, while that of the United States increased by 5.3 percent.
- Although the increase in the average weekly wage of Minnesota's construction sector was lower than that of the United States, the average weekly wage in Minnesota was comparatively higher than the United States during those periods.
- The special trade construction sector received the highest average weekly wage among the three major construction industries (2-digit level) in Minnesota.
- Minnesota's average weekly wage in the construction industry was 53 percent higher than the average weekly wage in the private, non-agricultural industry sector.

TABLE 10.3 BUILDING COST INDEX FOR 20 LARGEST METROPOLITAN AREAS IN THE UNITED STATES, 1987

Metro Area	*1987*	*Rank*	*Percent Change 1986-87*
Dallas	2,123.18	1	-0.4
Atlanta	2,134.12	2	2.1
Birmingham	2,134.34	3	5.6
New Orleans	2,266.86	4	1.1
Baltimore	2,344.46	5	1.0
Denver	2,374.39	6	0.8
Seattle	2,450.79	7	2.7
Minneapolis/St. Paul	**2,500.90**	**8**	**1.7**
Cincinnati	2,507.86	9	3.4
Kansas City	2,523.61	10	2.8
Pittsburgh	2,580.28	11	-0.5
St. Louis	2,594.69	12	5.3
Chicago	2,710.76	13	6.4
Detroit	2,767.90	14	3.8
Philadelphia	2,784.88	15	4.1
Los Angeles	2,816.48	16	1.9
Cleveland	2,823.67	17	2.4
Boston	2,923.07	18	8.5
San Francisco	3,044.27	19	2.8
New York	3,369.28	20	4.7

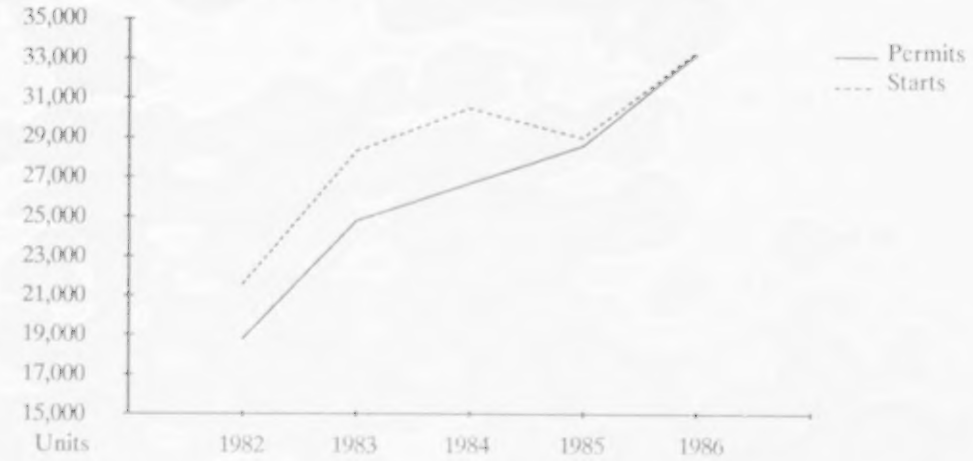
Source: Engineering News Record, ENR, December 1987, ENR Construction Economics Department.
(Note: Base period, 1913 = 100.)

- Minneapolis/St. Paul metropolitan area's building cost index ranked eighth lowest among the 20 largest metropolitan areas in the United States in 1987.

- Between 1986 and 1987, the percentage increase in building cost was only 1.7 percent, ranking the Minneapolis/St. Paul area seventh lowest in terms of cost increases.

- The Minneapolis/St. Paul metropolitan area had also the lowest building cost index among the largest metro areas in the Midwest region.

TABLE 10.4 MINNESOTA BUILDING PERMITS AUTHORIZED: NUMBER OF UNITS AND VALUATION, 1982 TO 1986



	Minnesota Building Permits Authorized Number of Units and Valuation					*Percent Change*	
	1982	*1983*	*1984*	*1985*	*1986*	*MN 1985-86*	*U.S. 1985-86*
RESIDENTIAL UNITS:							
Total Number (thousands)	18.8	24.8	26.7	28.6	33.2	16.1%	2.1%
1 unit	11.2	16.1	16.0	16.4	20.7	26.3	12.6
2 - 4 units	1.7	2.2	1.8	1.3	1.2	-3.0	-9.8
5 or more units	6.0	6.5	8.9	11.0	11.3	3.0	-11.1
Total Valuation (millions)	$909	$1,321	$1,456	$1,651	$2,142	29.7	15.4
1 unit	621	995	1,048	1,187	1,619	36.4	23.9
2 - 4 units	66	90	73	63	65	3.2	-3.6
5 or more units	222	237	335	401	458	14.2	-4.5
NON-RESIDENTIAL UNITS:							
Total Valuation (millions)	$515	$594	$807	$877	$1,012	15.4	-6.6
Industrial	79	79	156	183	183	-0.4	1.5
Offices	212	180	297	297	421	42.0	-20.2
Stores	65	96	133	193	225	16.5	0.8
Other Non-residential	160	239	221	203	183	-10.2	-0.3
TOTAL PERMIT VALUATION (millions)	$1,424	$1,915	$2,263	$2,527	$3,153	24.8	7.0

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987.
(Note: Refer to Table 10.5 for new housing starts data.)

- In 1986, the total value of Minnesota's construction permits amounted to $3,153 million, a 24.8 percent increase from the previous year's level.
- The growth rate in Minnesota's construction permit valuation was more than three times the national growth rate of 7 percent.
- More than $2.1 billion of the total valuation went to residential permits, which grew by 30 percent over the previous year compared with the national growth rate of only 15.4 percent.
- Total valuation in non-residential permits grew 15.4 percent in Minnesota, while the national average declined by 6.6 percent.

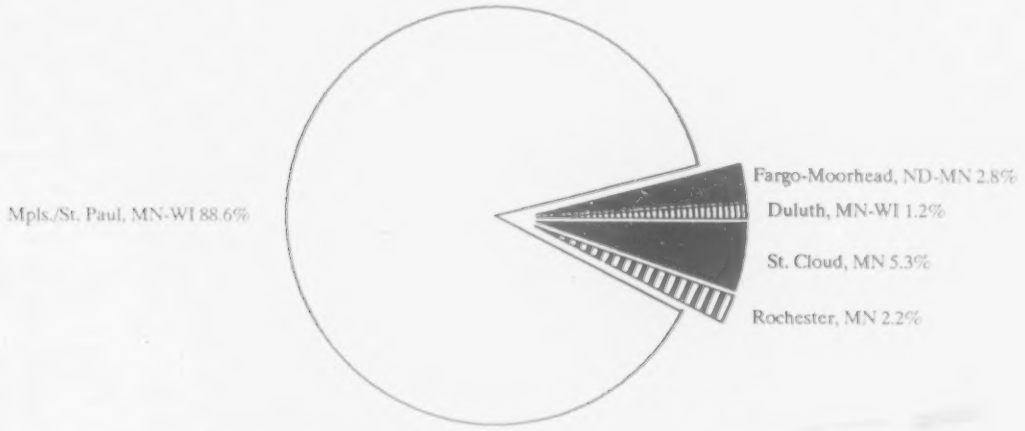
TABLE 10.5 CONSTRUCTION CONTRACTS, NEW HOUSING UNITS STARTED AND SALES OF EXISTING HOMES, 1982 AND 1986

Item	*Minnesota*					*Percent Change*	
	1982	*1983*	*1984*	*1985*	*1986*	*MN 1985-86*	*U.S. 1985-86*
Contract Constr. Awards:							
Total Valuation (millions)	$2,985	$4,183	$3,760	$4,285	$4,852	13.2%	4.7%
Residential	1,201	1,568	1,694	2,051	2,493	21.6	11.0
Non-residential	955	951	1,284	1,385	1,569	13.3	-2.2
Non-building	829	1,664	783	850	790	-7.1	2.1
New Privately Owned Housing Units Started (thousands)	21.6	28.3	30.5	29.0	33.3	14.8	3.9
Existing Homes Sold (thousands)	44.3	58.6	65.5	73.9	96.8	31.0	11.6

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987.
(Note: Non-building construction includes roads, highways and bridges.)

- By 1986, total valuation of construction contract awards in Minnesota had increased by more than one-third since 1982.
- More than one-half of the total valuation was in residential construction contract awards.
- Between 1985 and 1986, the percentage increase in the total value of construction contract awards in Minnesota was more than twice that of the United States.
- Housing unit starts in Minnesota have risen continuously since 1982. In 1986 alone, there were 33.3 thousand new, privately owned housing units started, a 14.8 percent increase from the previous year.
- The percentage change in new housing unit starts in Minnesota was more than three times that of the United States, which had only a 3.9 percent increase from the previous year.
- Sales of existing homes in Minnesota have more than doubled since 1982.

TABLE 10.6 METROPOLITAN AREA CONSTRUCTION TRENDS IN MINNESOTA, 1982 TO 1986



TOTAL RESIDENTIAL UNITS AUTHORIZED = 33,215 units

Metropolitan Area	*Residential Units Authorized*			*Permit Valuation (millions)*			*Construction Employment (thousands)*		
	1982	*1985*	*1986*	*1982*	*1985*	*1986*	*1982*	*1985*	*1986*
STATE OF MINNESOTA	18,955	28,611	33,215	$909	$1,651	$2,142	60.4	71.3	74.6
Duluth, MN-WI	500	288	358	13.5	10.7	13.9	1.4	2.8	3.3
Fargo-Moorhead, ND-MN	469	1,396	862	13.9	47.3	44.4	2.6	3.3	3.3
Mpls./St. Paul, MN-WI	12,664	22,260	27,345	678.6	1,368.5	1,856.4	36.0	46.7	49.4
Rochester, MN	901	852	683	34.8	45.2	46.9	(na)	1.9	1.8
St. Cloud, MN	816	1,643	1,631	30.6	84.9	78.9	2.7	3.2	3.3

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987.
(Note: The measurement of residential units authorized is based on 17,000 permit issuing places and excludes public housing construction.)

- In response to the growing population in the Minneapolis/St. Paul metropolitan statistical area, more than 27,000 residential units were authorized in 1986, a 23 percent increase from the previous year.
- The number of residential units authorized in the Minneapolis/St. Paul area in 1986 was roughly 82 percent of the total units authorized for the entire state.
- During the same period, the total permit valuation in the Minneapolis/St. Paul metro area was 87 percent of the total value of the state's construction permits.
- Sixty-six percent of the total employment in the construction industry sector is concentrated in the 10-county metropolitan area.

TABLE 10.7 TWIN CITIES OFFICE SPACE MARKET SUMMARY, 1986 (thousand square feet)

Location	*Existing Space*	*Vacancy Rate*	*New Construction*	*Under Construction*	*Net Absorption*
Suburban Northwest	639.6	39.4%	0.0	111.0	7.7
Highway 12 Corridor	4,006.7	13.2	223.4	559.0	425.3
Interstate 494 Corridor	10,300.7	24.4	877.1	1146.0	674.7
Suburban South	497.5	42.7	222.0	113.0	188.9
Suburban East	582.2	22.4	51.6	0.0	44.6
Suburban North	2,819.6	24.7	281.3	192.0	18.2
Downtown St. Paul	4,855.4	9.5	40.0	420.0	81.4
Downtown Minneapolis	14,474.4	13.7	307.5	3043.0	492.8

Source: Coldwell Banker, The Commercial Real Estate Market, 1987.
(Note: Net absorption refers to the number of offices completed and occupied within a specified period of time.)

- Unlike conditions in many places around the country, the Twin Cities office space market remained active and comparatively healthy in 1986.
- Despite good absorption rates, the Twin Cities suburban average vacancy rate of 27.8 percent was higher than that of the two downtown areas.
- In 1986, office space vacancy rates dropped to 13.7 percent in downtown Minneapolis, and to 9.5 percent in downtown St. Paul.
- Vacancy rates dropped in downtown St. Paul because only 40,000 square feet of new construction/renovated space was added during 1986.
- Vacancy rates in the Twin Cities suburban areas were expected to be high because of more construction under way.
- Among the sub-markets, the suburban Minneapolis area has been the most active in the Twin Cities during the past decade, mostly along the Interstate 494 corridor.
- Accessibility has been the key factor in the growth of the suburban St. Paul office market, stimulating residential and commercial growth, principally in Eagan, Woodbury, Maplewood and Roseville.

TABLE 10.8 OFFICE SPACE MARKET COMPARISON AMONG THE TOP 10 U.S. MARKETS, 1986 (million square feet)

	Downtown Office Space			*Suburban Office Space*		
	Existing Space	*Percent Vacant*	*Under Construction*	*Existing Space*	*Percent Vacant*	*Under Construction*
Minneapolis/St. Paul	19.3	12.6%	3.5	17.3	22.7%	2.2
Atlanta	12.9	15.1	1.3	52.7	20.7	9.1
Washington, DC.	54.0	10.0	4.9	76.6	18.1	10.5
Seattle	18.8	15.6	0.7	4.5	24.2	0.3
Houston	37.9	19.1	0.6	105.8	28.9	1.4
Denver	22.1	29.0	1.1	42.8	23.4	1.3
St. Louis	10.0	20.2	2.2	15.0	15.4	0.9
Kansas City	7.9	18.9	2.5	13.5	18.5	2.3
Phoenix	10.6	27.0	0.6	26.7	26.7	1.4
Boston	34.3	9.1	3.5	28.3	19.7	2.3

Source: Coldwell Banker, The Commercial Real Estate Market, 1987.
(Note: Percent vacant represents the number of available office space units divided by the total number of office space units.)

- Minneapolis/St. Paul downtown area had a combined office base of 19.3 million square feet in 1986, ranking it fifth largest among the top 10 U.S. markets.
- The Twin Cities suburban area, on the other hand, had a slightly lower office base of about 17.3 million square feet.
- In 1986, there were 3.5 million square feet of office space under construction in the downtown area of the Twin Cities, while 2.2 million square feet were under construction in the suburban areas.
- Although the downtown areas only ranked fifth largest in terms of office base comparisons, they ranked third lowest in terms of office vacancy rates, at only about 12.6 percent.
- Similarly, office vacancy rates were low in the Twin Cities suburban areas compared to the other top 10 U.S. office space markets.

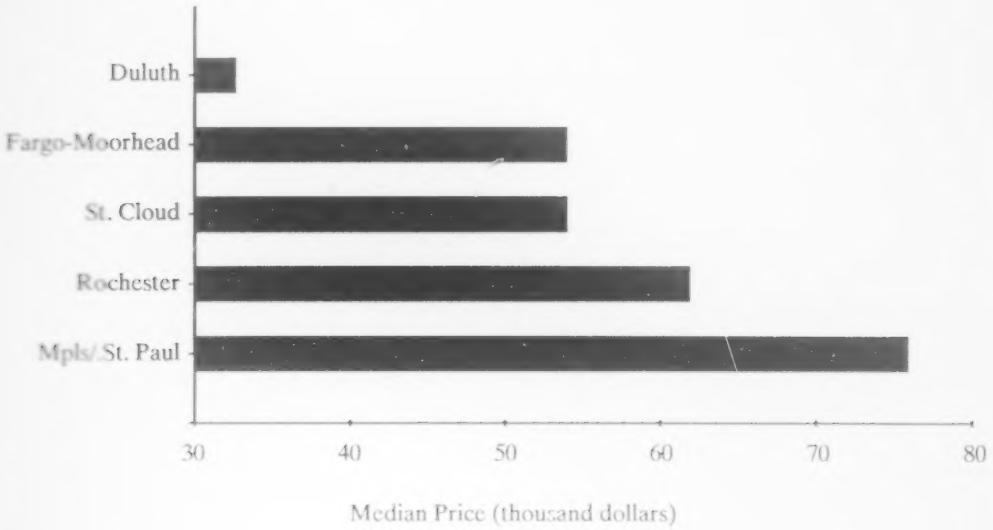
TABLE 10.9 TWIN CITIES INDUSTRIAL CONSTRUCTION SUMMARY, 1986 AND 1987
(thousand square feet)

	Completed 1986		*Under Construction 1987*	
Location	*Single Tenant*	*Multi-Tenant*	*Single Tenant*	*Multi-Tenant*
Northwest	688.8	392.6	397.8	199.7
Southwest	256.2	498.0	606.8	354.8
South Central	538.0	710.6	89.0	88.0
St. Paul	171.0	161.0	67.0	130.0
Minneapolis	446.0	121.0	350.0	70.9
North Central	885.3	545.5	583.4	229.4
East	143.0	22.0	28.0	55.0
TOTAL	3,128.3	2,450.7	2,121.9	1,127.8

Source: Coldwell Banker, The Commercial Real Estate Market, 1987.

- The Twin Cities industrial real estate activity produced mixed results in 1986. The area has an industrial base of 184 million square feet of buildings having a space of 10,000 square feet or more.
- The gross industrial absorption rate was 12.6 million square feet in 1986, a 32 percent increase from the previous year.
- New construction completed in 1986 includes nearly 3.10 million square feet of single-tenant buildings, a 29.3 percent increase from the 1985 total; and 2.4 million square feet in multi-tenant development, a 24.1 percent decline from 1985.
- The overall industrial vacancy rate fell from 9.5 percent to 8.7 percent in 1986.
- Most of the industrial construction projects completed in 1986 were in the Northwest, South Central and North Central parts of the Twin Cities area.
- New multi-tenant construction dropped by more than 50 percent in 1987 as a result of undergoing correction to deal with the over-supply.
- New construction activities in 1987 were concentrated in the Southwest area of the Twin Cities.

TABLE 10.10 MEDIAN HOUSE SALE PRICE FOR METROPOLITAN STATISTICAL AREAS (MSA) OF MINNESOTA, 1986



Minnesota (MSA)	*Median House Sale Price for Metropolitan Statistical Areas of Minnesota 1984*	*1985*	*1986*
Duluth	$35,000	$33,500	$32,600
Minneapolis/St. Paul	71,000	73,000	75,900
Moorhead	52,000	50,000	54,000
Rochester	60,000	59,900	61,900
St. Cloud	52,600	51,500	54,000

Source: Department of Revenue, Certificate of Real Estate Value, January 1986, January 1987. (Note: 1986 data include all sales through September 1986.)

- In 1986, the lowest median house sale price among MSAs was in Duluth ($32,600), while the highest was in the Minneapolis/St. Paul MSA area ($75,900).
- Between 1984 and 1986, the rank order among the MSAs of Minnesota remained the same, with the lowest median price in Duluth and the highest in the Minneapolis/St. Paul area.
- Median house sale prices increased from 1985 to 1986 in the MSAs of Minnesota except for the Duluth MSA where median prices decreased by 2.7 percent.
- The greatest increase was in the Moorhead MSA, where median house sale prices increased by 8 percent between 1985 and 1986.

TABLE 10.11 TERMS ON CONVENTIONAL HOME MORTGAGES FOR ALL MAJOR LENDERS, NOVEMBER OF 1986 AND 1987

	Minneapolis/St. Paul (MSA)		United States	
	1986	1987	1986	1987
Commitment Rates and Policy on				
Fixed Rate Loans, (15 year term or longer):				
Contract Rate	9.66%	10.57%	9.94%	10.83%
Effective Rate	9.81%	10.77%	10.31%	11.23%
All Loans Closed				
Contract Interest Rate	9.83%	8.05%	9.47%	9.00%
Initial Fees and Charges	1.83%	1.91%	2.23%	2.19%
Effective Rate	10.14%	8.35%	9.86%	9.37%
Term to Maturity (years)	30.0	29.3	26.2	27.2
Average Price (thousands):				
Existing Home Sales	$90.2	$96.5	$98.5	$105.5

Source: Federal Home Loan Bank Board, Home Mortgage Commitment Rates, FHLB News Release, December 1987. Average price of existing home sales was taken from U.S. Housing Markets, March 1988. Published by Lomas and Nettleton Inc.
(Note: Policy is based on a 75 percent loan-to-price ratio. Effective interest rate includes the contract interest rate plus fees and charges.)

- In 1987, the effective commitment rate for a minimum 15-year, fixed rate mortgage with a 75 percent loan-to-price ratio for the purchase of newly built, single-family homes in the Minneapolis/St. Paul MSA was 10.77 percent, up 10 percent from 1986.
- Effective rate for the U.S. average was slightly higher at 11.23 percent; however, it rose only 9 percent from the previous year.
- The November 1987 average purchase price for existing homes was $105,500 for the United States, while the purchase price in the Minneapolis/St. Paul area was $96,500, 9 percent lower than the U.S. average.
- The effective rates for all types of loans closed (i.e., closed during the first five full working days of a month) decreased 18 percent from the previous year to 8.35 percent in November 1987. The decrease was due entirely to a decrease in the contract interest rate to 8.05 percent.
- The United States as a whole, on the other hand, showed only a 5 percent decline in effective rates for all types of loans closed; hence its effective rate was still higher compared to that of the Minneapolis/St. Paul area.

QUALITY OF LIFE
11

TABLE 11.1 COST OF LIVING FOR THE LARGEST METROPOLITAN AREAS IN THE UNITED STATES, 1986

Metro Areas	*All Items Index*	*Metro Rank*	*Cost Of Living Indices:* *Food*	*Housing*	*Utility*	*Transportation*	*Health*	*Misc.*
Pittsburgh	96	1	92	93	94	106	95	98
St. Louis	98	2	96	99	100	98	101	97
Cleveland	101	3	98	95	101	107	108	102
Kansas City	102	4	105	105	86	101	108	103
Houston	102	5	105	84	115	105	108	107
Minneapolis/St. Paul	**104**	**6**	**95**	**113**	**101**	**116**	**105**	**98**
Denver	104	7	101	122	77	111	109	98
Detroit	106	8	109	95	133	114	107	99
Baltimore	106	9	102	114	98	108	106	105
Tampa-St. Petersburg	107	10	103	110	115	100	109	108
Seattle	107	11	110	107	53	121	146	112
Phoenix	108	12	100	117	102	107	123	105
Dallas	110	13	107	118	112	113	115	104
Atlanta	110	14	98	127	128	98	106	103
Miami-Hialeah	111	15	99	117	116	103	132	109
Riverside	112	16	99	137	107	107	119	104
Los Angeles	114	17	97	155	63	99	136	115
Anaheim-Santa Ana	114	18	94	170	61	97	132	106
Philadelphia	119	19	109	123	157	111	132	109
Oakland	120	20	101	174	72	124	134	104
Chicago	122	21	102	105	123	107	108	104
San Diego	124	22	101	174	72	124	134	104
Washington	125	23	108	154	137	111	148	116
Newark	126	24	110	153	137	106	151	114
San Francisco	127	25	105	175	113	125	136	115
New York	142	26	109	190	189	118	161	113
Nassau-Suffolk	148	27	115	211	192	114	141	119
Boston-Salem	164	28	112	332	112	110	160	113

Source: American Chamber of Commerce Researchers Association, Inter-City Cost of Living Index, first to fourth quarter, 1986.

- Of the 28 largest metropolitan areas in the United States, Minneapolis/St. Paul ranks sixth lowest in the cost of living index.
- The Twin Cities cost of living index, which measures the relative price levels for consumer goods and services as compared with the average of 100 for the largest metropolitan areas, is only 4 percent above the average.
- Among the various consumer goods and services considered, transportation has the highest cost of living index in the Minneapolis/St. Paul area, while food has an index below the average of the 28 largest metropolitan areas.
- Housing costs (including taxes and utilities) in the Twin Cities are comparable to other major metropolitan areas in the country.
- The highest cost of living indices are found on the East Coast (Boston-Salem and Nassau-Suffolk, New York) and the West Coast (San Francisco).

TABLE 11.2 STANDARD OF LIVING FOR THE LARGEST METROPOLITAN AREAS IN THE UNITED STATES, 1986

Metro Areas	*Per Capita Disposable Income*	*Cost Of Living Index*	*Standard of Living*	*Standard of Living Index*	*Metro Rank*
METRO AVERAGE	$14,157	100	$12,398.96	100	-
San Francisco	18,337	127	14,438.64	116	1
Seattle	15,212	107	14,217.18	115	2
Denver	14,694	104	14,128.38	114	3
Minneapolis/St. Paul	**14,628**	**104**	**14,064.99**	**113**	**4**
Anaheim-Santa Ana	15,882	114	13,931.44	112	5
Washington	17,347	125	13,877.27	112	6
Kansas City	13,689	102	13,420.93	108	7
Oakland	16,075	120	13,395.67	108	8
Houston	13,469	102	13,205.21	107	9
St. Louis	12,829	98	13,090.78	106	10
Dallas	14,145	110	12,859.06	104	11
Pittsburgh	12,285	96	12,797.04	103	12
Cleveland	12,814	101	12,686.94	102	13
Newark	15,632	126	12,406.72	100	14
Detroit	13,019	106	12,281.82	99	15
Atlanta	13,478	110	12,253.06	99	16
Los Angeles	13,731	114	12,044.51	97	17
Baltimore	12,541	106	11,831.35	95	18
Phoenix	12,753	108	11,808.32	95	19
Nassau-Suffolk	17,368	148	11,735.08	95	20
Chicago	14,064	122	11,528.04	93	21
San Diego	14,284	124	11,519.66	93	22
Tampa-St. Petersburg	12,219	107	11,419.90	92	23
Philadelphia	13,148	119	11,048.96	89	24
Miami-Hialeah	12,092	111	10,893.71	88	25
Riverside	12,141	112	10,840.36	87	26
New York	14,207	142	10,004.73	81	27
Boston-Salem	15,484	164	9,441.24	76	28

Source: American Chamber of Commerce Researchers Association, Inter-City Cost of Living Index, first to fourth quarter, 1986. Sales and Marketing Management, Disposable Personal Income and Metro Area Population, 1987 Survey of Buying Power.
(Note: Standard of living is defined here as the "area price adjusted disposable personal income," i.e., per capita disposable personal income divided by the cost of living index. The standard of living index is derived from standard of living divided by the metro average standard of living which is $12,398.96.)

- Among the 28 largest metropolitan areas in the United States, Minneapolis/St. Paul ranks 10th highest in per capita disposable personal income.
- Within the Midwest region, Minneapolis/St. Paul has the highest per capita disposable personal income; Chicago ranks 14th, Kansas City 16th, Detroit 20th, St. Louis 21st and Cleveland 22nd.
- While the cost of living index in the Twin Cities area is 4 percent above average, the standard of living (or area price adjusted disposable personal income) is fourth highest among the largest metropolitan areas considered.
- Using per capita disposable personal income adjusted for the area's cost of living index as a measure of "standard of living," the standard of living in Minneapolis/St. Paul is 13 percent better than the metro average.

TABLE 11.3 INDICATORS OF RESIDENT STABILITY

	Data Year	*Minnesota*	*Midwest*	*United States*
Percent Of Population Born in State Where Now Residing	1980	74.9	71.8	63.9
Percent of Population Residing in Same State Five Years Earlier	1980	92.7	93	90.2
Percent of Population Residing in Same House Five years Earlier	1980	55.6	55.4	53.6
Percent of Year-round Housing Units That are Owner-occupied	1980	71.7	68.8	64.4
Labor Turnover in Manufacturing: Total Separations Per 100 Employed	1980	3.8	n/a	3.9
Divorce Rate (Per 1,000 Population)	1986	3.3	4.2	4.8
Percent of Population That Are Members of a Religious Faith	1984	65.7	54.1	51.8
Births to Mothers Under 20 Years Old (%)	1982	8.9	n/a	14.2

Source: U.S. Bureau of the Census, Census of Population and Housing, U.S. National Center for Health Statistics, Vital Statistics of the United States U.S. Department of Commerce, Statistical Abstract of the United States U.S. Bureau of Labor Statistics, Handbook of Labor Statistics (Labor turnover series discontinued after 1980).

- Minnesota fares better than the United States on each of the measures of resident stability.
- Minnesota leads the Midwest region in all stability measures except the percent residing in the same state five years earlier.
- Three-fourths of all Minnesotans were born in the state, and more than half have not moved from their residence in the last five years.
- Sixty-six percent of Minnesota's population are members of a religious faith, considerably more than the 54 percent for the Midwest region and 52 percent in the United States.
- A higher proportion of Minnesota housing units are owner-occupied than in either the Midwest region or the United States.
- At 3.3 per thousand population, Minnesota's divorce rate is substantially below the national and regional averages of 4.9 and 4.2, respectively.
- Data between 1976 and 1980 (approximately one business cycle) indicates that labor turnover is slightly lower in Minnesota than in the United States.
- On average, only 3.8 percent of Minnesota's manufacturing workers terminate employment in the course of a year for either voluntary or involuntary reasons.

TABLE 11.4 SEASONAL HOMES AS A PERCENT OF TOTAL HOUSING UNITS, 1980

1	Maine	14.71%
2	Vermont	12.21
3	New Hampshire	9.62
4	Wisconsin	5.95
5	Alaska	5.31
6	**Minnesota**	**5.18**
7	Idaho	4.10
8	Montana	4.09
9	Arizona	3.97
10	Michigan	3.94
11	Delaware	3.56
12	Wyoming	3.11
13	Massachusetts	3.08
14	New Jersey	3.04
15	New Mexico	2.80
16	South Carolina	2.80
17	South Dakota	2.71
18	Rhode Island	2.69
19	Florida	2.47
20	New York	2.45
21	North Dakota	2.38
22	Washington	2.31
23	North Carolina	2.27
24	Colorado	2.14
25	Pennsylvania	1.89
26	Utah	1.89%
27	West Virginia	1.53
28	Missouri	1.40
29	Maryland	1.38
30	Indiana	1.37
31	Connecticut	1.28
32	Texas	1.24
33	Alabama	1.18
34	Oregon	1.11
35	Arkansas	1.10
36	Virginia	1.10
37	Kentucky	1.04
38	Nebraska	0.98
39	Iowa	0.89
40	Louisiana	0.85
41	Mississippi	0.83
42	Georgia	0.77
43	Ohio	0.75
44	Nevada	0.72
45	Oklahoma	0.68
46	California	0.63
47	Tennessee	0.61
48	Hawaii	0.60
49	Kansas	0.50
50	Illinois	0.39

UNITED STATES 1.94%

Source: U.S. Bureau of the Census, Census of Population and Housing, 1980.

- Seasonal homes, measures of an area's recreational appeal, are more than twice as prevalent in Minnesota as in the nation.
- Minnesota ranks sixth in the United States and second among the Midwestern states in the percentage of its housing units that are seasonal.
- The top states in seasonal homes offer a combination of amenities that may include lakes, mountains, forests and beaches.

TABLE 11.5 CLIMATIC AVERAGES FOR MINNEAPOLIS/ST. PAUL

Normal Daily Temperature (in degrees Fahrenheit):			
January Maximum	19.9	July Maximum	83.4
January Minimum	2.4	July Minimum	62.7
Relative Humidity:			
January Morning	72%	July Morning	80%
January Afternoon	66%	July Afternoon	54%
Annual Precipitation	26.4"	Average Wind Speed	10.5 mph
Annual Snowfall	49.9"	Annual Sunshine	57%
Heating Degree Days	8,007	Cooling Degree Days	662
Number of Days with Maximum Temperature Above 90 Degrees			15

Source: U.S. National Oceanic and Atmospheric Administration, Climatography of the United States, No. 81, Sept. 1982; and Annual Comparative Climatic Data. (Note: Minneapolis-St. Paul averages cited, as not all data is available on a statewide basis. A heating or cooling degree day is each degree that the average temperature for that day is below or above 65 degrees, respectively. The annual summation of these degree days yields the given figure.)

- Minnesota is characterized by four distinct seasons. The normal maximum temperature ranges from 20 degrees Fahrenheit in January to 80 degrees in July.
- Summer is one of the more pleasant seasons in Minnesota as the normal low temperature in July is only 60 degrees and the afternoon humidity is just 54 percent.
- Minnesota receives sunshine 57 percent of the time and has an average of 250 days, or more than two-thirds of the year, without any measurable precipitation.
- An average of only 15 days when the temperature rises above 90 degrees mitigates the need for expensive air-conditioning in Minnesota.

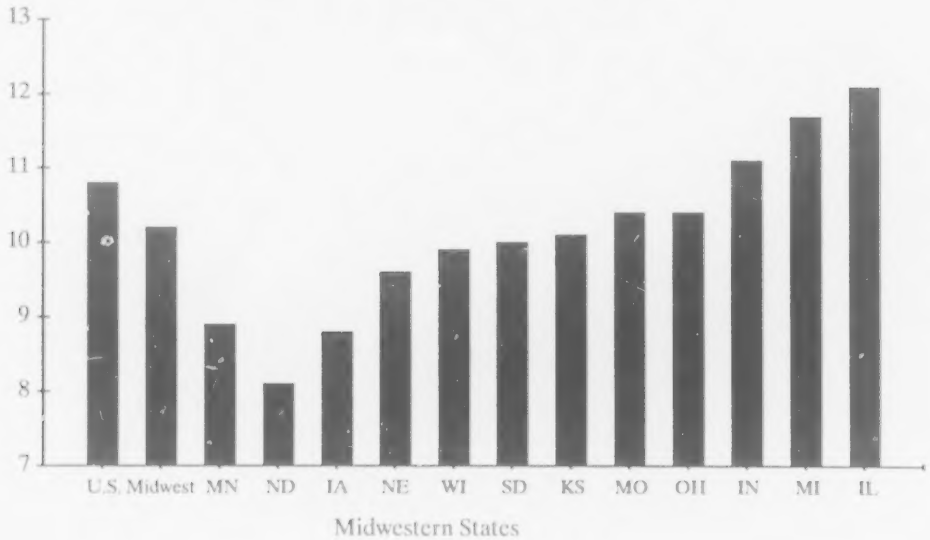
TABLE 11.6 STATE ARTS AGENCY APPROPRIATIONS PER CAPITA, 1985

1	Alaska	$800.1
2	Massachusetts	282.5
3	New York	248.5
4	Hawaii	215.3
5	New Jersey	138.3
6	Missouri	137.9
7	Michigan	113.4
8	West Virginia	108.5
9	Utah	96.1
10	Montana	92.1
11	Florida	88.9
12	Delaware	80.9
13	South Carolina	78.8
14	Tennessee	76.7
15	Ohio	69.8
16	**Minnesota**	**66.0**
17	Illinois	64.8
18	North Carolina	63.8
19	Texas	58.0
20	Pennsylvania	56.5
21	Oklahoma	55.2
22	Washington	51.4
23	New Mexico	50.1
24	Connecticut	46.9
25	Vermont	46.3
26	Rhode Island	$46.2
27	California	45.6
28	Maryland	43.6
29	Kentucky	42.0
30	Arkansas	41.3
31	South Dakota	39.6
32	Georgia	37.7
33	Nebraska	37.4
34	Maine	36.4
35	North Dakota	36.2
36	Virginia	34.6
37	Indiana	33.3
38	Arizona	33.1
39	New Hampshire	33.1
40	Louisiana	31.3
41	Colorado	29.6
42	Wyoming	28.3
43	Alabama	27.6
44	Kansas	24.2
45	Wisconsin	24.2
46	Nevada	19.1
47	Mississippi	18.9
48	Iowa	18.0
49	Oregon	16.7
50	Idaho	13.7

Source: National Assembly of State Arts Agencies, unpublished data, 1986.

- The legislative appropriations for a wide range of arts agencies and organizations in Minnesota show a strong commitment to cultural enrichments.
- In 1985, Minnesota ranked 16th in terms of state arts agency appropriations per capita.
- Among the Midwestern states only Missouri, Michigan and Ohio surpassed Minnesota in terms of per capita appropriations to the arts.

TABLE 11.7 INFANT MORTALITY RATE PER 1,000 LIVE BIRTHS, 1986

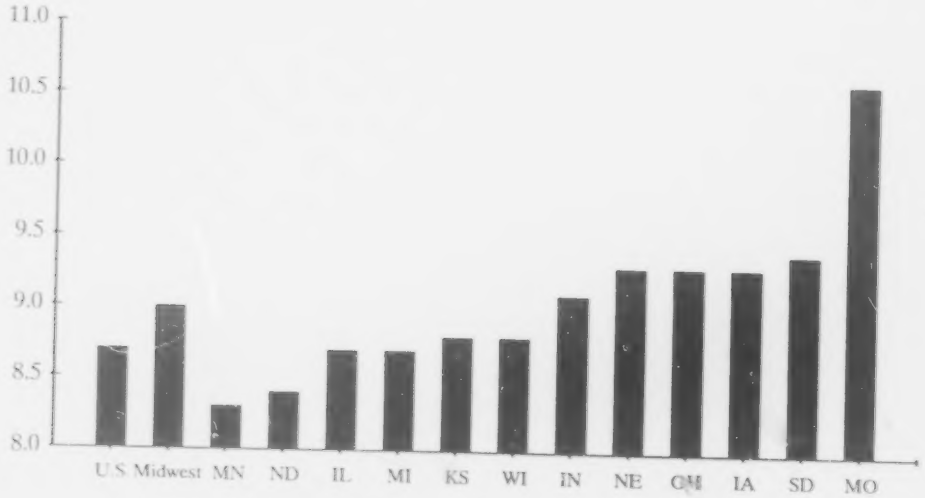


Region and State	Total Number	Infant Mortality Rate (Per 1,000 Live Births)	U.S. Rank
UNITED STATES	-	10.8	-
MIDWEST	9,239	10.2	-
WEST NORTH CENTRAL	2,599	9.4	-
North Dakota	113	8.1	1
Iowa	308	8.8	4
Minnesota	**605**	**8.9**	**5**
Nebraska	248	9.6	12
South Dakota	136	10.0	18
Kansas	317	10.1	19
Missouri	872	10.4	24
EAST NORTH CENTRAL	6,640	11.0	-
Wisconsin	642	9.9	17
Ohio	1,554	10.4	26
Indiana	862	11.1	37
Michigan	1,549	11.7	40
Illinois	2,033	12.1	44

Source: U.S. National Center for Health Statistics, Vital Statistics of the United States, annual. U.S. National Center for Health Statistics, Monthly Vital Statistics Report, Vol. 35, No. 13, August 24, 1987.

- Minnesota has the fifth lowest infant mortality rate in the country.
- Minnesota's infant mortality rate is also below the Midwest regional average.
- Low infant mortality rate correlates highly with quality health care in Minnesota which, in turn, is an indication of good living standards and access to pre-natal care.

TABLE 11.8 DEATH RATES AND AVERAGE LIFE EXPECTANCY



Midwestern States

Regions and State	*Death Rate Per 1000 Population (1986)*	*U.S. Rank*	*Average Life Expectancy (1979-1981)*	*U.S. Rank*
UNITED STATES	8.7	-	73.9	-
MIDWEST	9.0	-	74.7	-
WEST NORTH CENTRAL	9.4	-	75.3	-
Minnesota	**8.3**	**19**	**76.2**	**2**
North Dakota	8.4	25	75.7	5
Kansas	8.8	28	75.3	8
Nebraska	9.3	38	75.5	6
South Dakota	9.4	39	75.0	16
Iowa	9.3	40	75.8	3
Missouri	10.6	49	73.8	28
EAST NORTH CENTRAL	8.9		74.0	
Michigan	8.7	21	73.7	31
Illinois	8.7	23	73.4	37
Wisconsin	8.8	24	75.4	7
Indiana	9.1	26	73.8	27
Ohio	9.3	34	73.5	35

Source: U.S. National Center for Health Statistics, Vital Statistics of the United States, annual. U.S. National Center for Health Statistics, Monthly Vital Statistics Report, Vol. 35, No. 3, August 24, 1987.

- At birth, new Minnesotans can look forward to an average life of 76.2 years, second only to Hawaii among the 50 states.
- As suggested by its longer life expectancy, Minnesota's overall death rate is 5 percent lower than the U.S. average.
- Minnesota has the lowest death rate per 1,000 population among the 12 Midwestern states.
- Minnesota's death rate is lower when compared to the average of both the Midwest region and the nation.

TABLE 11.9 TRAFFIC FATALITIES PER 100 MILLION VEHICLE-MILES TRAVELED, 1986

1	**Minnesota**	1.69	26	California	2.44
2	Hawaii	1.72	27	Pennsylvania	2.44
3	North Dakota	1.78	28	Alaska	2.52
4	Massachusetts	1.84	29	Kansas	2.52
5	Connecticut	1.87	30	Indiana	2.55
6	New Jersey	1.88	31	Utah	2.59
7	Wisconsin	1.94	32	Georgia	2.69
8	Washington	1.95	33	Missouri	2.72
9	Ohio	2.06	34	Oregon	2.72
10	Maine	2.12	35	Kentucky	2.75
11	Illinois	2.15	36	Montana	2.87
12	South Dakota	2.15	37	Nevada	2.92
13	Iowa	2.16	38	Tennessee	3.11
14	New Hampshire	2.17	39	Louisiana	3.12
15	Virginia	2.18	40	North Carolina	3.12
16	Michigan	2.21	41	Wyoming	3.13
17	Maryland	2.23	42	Alabama	3.18
18	New York	2.23	43	Florida	3.24
19	Oklahoma	2.26	44	Idaho	3.32
20	Rhode Island	2.28	45	West Virginia	3.34
21	Vermont	2.28	46	Arkansas	3.43
22	Colorado	2.29	47	South Carolina	3.75
23	Nebraska	2.30	48	New Mexico	3.79
24	Delaware	2.36	49	Mississippi	4.01
25	Texas	2.40	50	Arizona	4.43

UNITED STATES 2.51

Source: National Safety Council, Accident Facts, 1986 Edition, Federal Highway Administration, Highway Statistics, 1986.

- In 1986, Minnesota had a motor vehicle fatality rate of 1.69 deaths per 100 million vehicle miles of travel. Data obtained from the Federal Highway Administration indicated that Minnesota has the lowest motor vehicle fatality rate in the nation.
- The system greatly contributes to the reduction in vehicular traffic accidents, ranking Minnesota first in highway safety.
- Minnesota has the largest closed-circuit television system in the country for monitoring and managing urban interstate traffic. (Minnesota Department of Transportation)
- Minnesota's vehicle fatality rate is 33 percent below the U.S. average of 2.5 deaths per 100 million vehicle miles traveled.

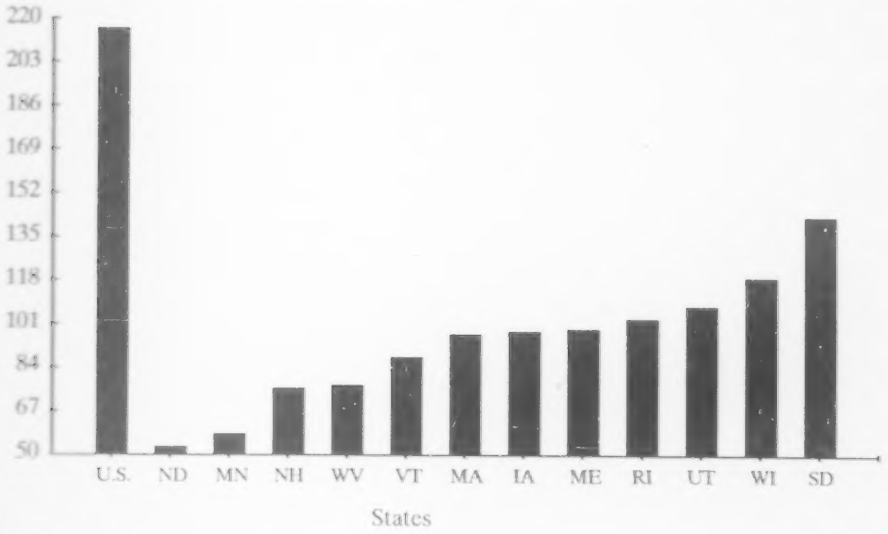
TABLE 11.10 CRIME RATES BY TYPE (OFFENSES PER 100,000 POPULATION), 1986

	Minnesota	*Midwest*	*United States*
INDEX CRIME (TOTAL)	4,362.2	4,832.5	5,479.9
VIOLENT CRIME	284.6	510.8	617.3
Murder	2.5	6.6	8.6
Forcible Rape	31.8	35.4	37.5
Robbery	102.0	178.6	225.1
Aggravated Assault	148.3	290.2	346.1
PROPERTY CRIME	4,077.6	4,321.7	4,862.6
Burglary	1,004.2	1,081.8	1,344.6
Larceny-Theft	2,785.3	2,791.8	3,010.3
Motor Vehicle Theft	288.1	448.1	507.8

Source: U.S. Federal Bureau of Investigation, Uniform Crime Reports, Crime in the United States, July 25, 1987.

- For all types of crime, the number of offenses committed per 100,000 population is lower in Minnesota than in the Midwest region, which is in turn lower than that of the United States.
- Minnesota's overall crime index, a key component of quality of life, is nearly 20 percent below that of the nation.
- Only 7 percent of all crimes committed in Minnesota are violent in nature: murder, rape, robbery or assault.
- The overall violent crime rate in Minnesota is less than one-half that of the nation.
- Both the United States and the Midwest region have murder rates more than two times greater than the Minnesota figure.
- The rates of aggravated assault and robbery, both violent crimes, are nearly two times higher in the United States than they are in Minnesota.
- Roughly 55 percent of all reported crimes in each area are of the larceny-theft type, the most minor of the offenses listed.
- Motor vehicle theft is much more common in both the United States and the Midwest region than it is in Minnesota.

TABLE 11.11 STATES WITH LOWEST INCARCERATION RATES PER 100,000 RESIDENTS, 1986



State	*Incarcerated Per 100,000 Residents 1985*	*U.S. Rank*	*Incarcerated Per 100,000 Residents 1986*	*U.S. Rank*	*Percent Increase 1985-1986*
UNITED STATES	201	-	216	-	7.5%
North Dakota	52	1	53	1	1.9
Minnesota	**56**	**2**	**58**	**2**	3.6
New Hampshire	68	3	76	3	11.8
West Virginia	89	6	77	4	-13.5
Vermont	78	4	88	5	12.8
Massachusetts	93	8	97	6	4.3
Iowa	90	7	98	7	8.9
Maine	88	5	99	8	12.5
Rhode Island	99	10	103	9	4
Utah	93	9	108	10	16.1
Wisconsin	110	13	119	13	8.2
South Dakota	142	19	143	18	0.7

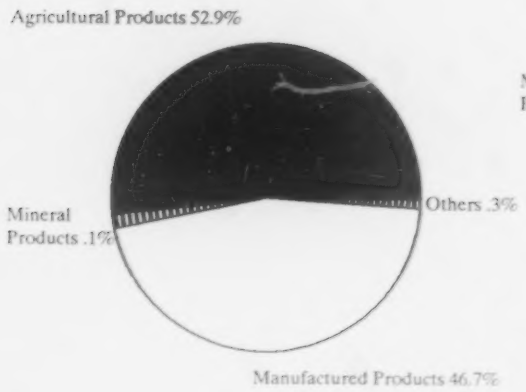
Source: Minnesota State Planning Agency, Trend Reports, August 1987. U.S. Department of Justice, Bureau of Justice Statistics, 1986.

- In 1986, Minnesota had the second lowest incarceration rate in the nation, i.e., the number of persons in prison with sentences of one year or longer.
- In 1985, Minnesota had the ninth smallest percentage among all states of its direct expenditures going for corrections.
- While just over 0.2 percent of the nation's population was in prison, Minnesota had only 0.058 percent of its residents imprisoned in 1986. Nevada's rate was the highest with almost one-half of 1 percent of its residents imprisoned.

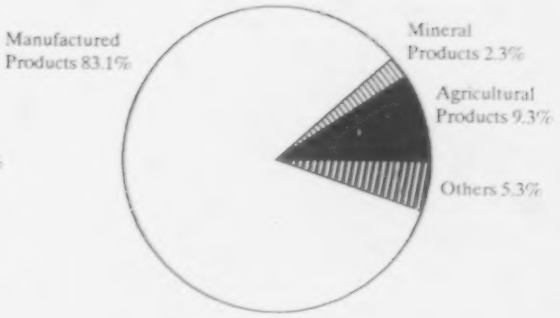
INTERNATIONAL TRADE AND FOREIGN INVESTMENTS

12

TABLE 12.1 DOMESTIC EXPORTS BY SIC-BASED CATEGORIES, JANUARY – MARCH 1986



Minnesota = $1,368.7 million



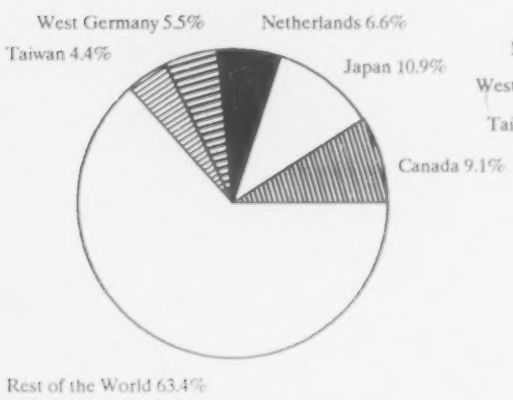
United States = $52,014.0 million

SIC Categories	*Minnesota (millions)*	*Percent of Total Minnesota Exports*	*Minnesota Share of U.S. Exports*	*United States (millions)*
Total Exports	$1,368.7	100.00%	2.63%	$52,014.0
Agricultural Products	724.6	52.94	15.00	4,829.6
Forest Products	0.4	0.03	1.28	31.3
Fish and Other Marine Products	0.1	0.01	2.12	3.4
Mineral Products	1.1	0.08	0.09	1,201.8
Manufacturing Products:				
Durable goods	431.6	31.53	1.42	30,369.2
Non-durable goods	200.5	14.65	1.76	11,387.2
Others not identified by kind	7.4	0.54	0.50	1,494.5
Others	3.2	0.23	0.12	2,700.6

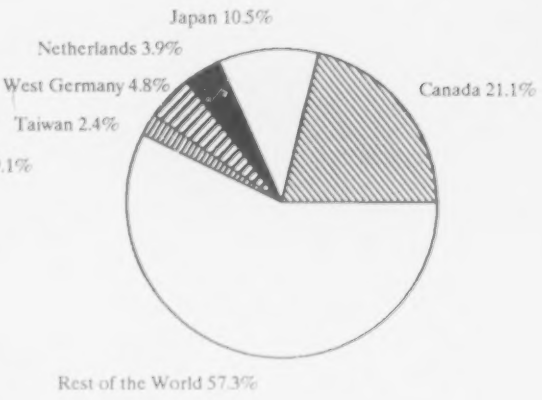
Source: U.S. Department of Commerce, State Statistical Abstract Series, Minnesota, September 1987. (These estimates are to be considered very provisional.) (Note: Others includes scrap and waste products, used or second-hand merchandise, and special classification provisions. Data for Minnesota Agricultural Products exports may have been over-estimated.)

- During the first quarter of 1986, Minnesota exported $1,369 million in agricultural products, forest products, minerals and manufactured commodities.
- Minnesota's share of the total U.S. exports was roughly 3 percent during the same period.
- Forty-seven percent ($639.5 million) of Minnesota exports were derived from exports of manufactured products. More than half of these were foreign sales of food products and computers and non-electric machinery ($351 million).
- The United States, on the other hand, obtained roughly 83 percent of its total export revenue from sales of manufactured products to foreign markets.

TABLE 12.2 DOMESTIC EXPORTS BY WORLD AREA AND LEADING COUNTRY OF DESTINATION, JANUARY - MARCH 1986



Minnesota = $1,368.7 million



United States = $52,014.0 million

World Area/Destination	*Minnesota (millions)*	*Percent of Total Minnesota Exports*	*Minnesota Share of U.S. Exports*	*United States (millions)*
Total Exports	$1,368.7	100.00%	2.63%	$52,014.0
North America	171.6	12.54%	1.10	15,578.1
(Canada)	124.6	9.10	1.13	10,989.4
South America	81.4	5.95	3.29	2,472.6
(Brazil)	53.4	3.90	7.07	755.4
Europe	641.7	46.88	4.01	16,003.6
(Netherlands)	91.0	6.65	4.46	2,042.2
(West Germany)	74.8	5.47	2.99	2,501.9
Asia	310.7	22.70	2.12	14,661.7
(Japan)	149.2	10.90	2.74	5,447.8
(Taiwan)	60.7	4.43	4.94	1,228.6
Australia and Oceania	29.6	2.16	1.58	1,870.4
(Australia)	27.9	2.04	1.88	1,487.4
Africa	133.7	9.77	9.37	1,427.6
(Algeria)	24.5	1.79	18.37	133.4

Source: U.S. Department of Commerce, State Statistical Abstract Series, Minnesota, September 1987. (These estimates are to be considered provisional.)

- The largest recipient of Minnesota's commodity exports during the first three months of 1986 was Japan, with a value of nearly $150 million.
- Exports to Japan were roughly 11 percent of the state's total value of exported commodities.
- Canada was the second largest destination of the state's exports, with $125 million generated in export revenue.
- The major trading partner of the United States, on the other hand, was Canada. During the first quarter of 1986, its share of the U.S. total exports was 21 percent.

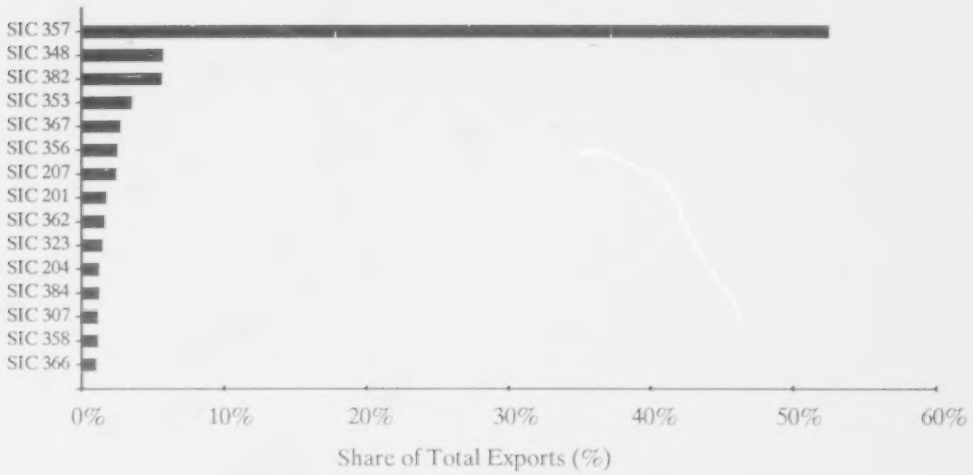
TABLE 12.3 EXPORT/IMPORT TRADE, JANUARY – OCTOBER 1987

State	*Exports (F.A.S.) (millions)*	*Per Capita*	*U.S. Rank*	*Imports (C.I.F.) (millions)*	*Per Capita*	*U.S. Rank*
Top 5:						
Alaska	$1,078.0	$2,053.3	1	$228.0	$434.3	33
Washington	8,408.9	1,853.0	2	4,319.5	951.9	13
Louisiana	7,870.1	1,764.2	3	1,346.6	301.9	41
Michigan	11,107.7	1,207.4	4	24,162.9	2,626.4	3
Massachusetts	5,733.7	979.3	5	9,289.3	1,586.6	7
Middle:						
Minnesota	**2,708.6**	**637.9**	**14**	**2,512.6**	**591.8**	**24**
Wisconsin	2,483.1	516.6	20	1,948.8	405.4	36
Iowa	1,158.9	408.9	25	359.6	126.9	45
North Dakota	198.0	294.6	40	126.9	188.8	43
Low 5:						
Arkansas	415.6	174.0	46	914.4	382.9	38
Hawaii	124.0	114.5	47	625.0	577.1	25
New Mexico	113.2	75.5	48	45.7	30.5	49
South Dakota	41.5	58.5	49	37.5	52.9	47
Wyoming	5.6	11.4	50	1.1	2.2	50

Source: Minnesota State Planning Agency, Trend Reports, Minnesota Comparisons, January 1988. U.S. Bureau of the Census, Foreign Trade Division. Highlights of U.S. Export and Import Trade, FT990, monthly publication.
(Note: F.A.S. Export Value means free alongside ship at port of exit. C.I.F. Import Value means the transaction value plus all other charges from origin to first port of arrival.)

- Through October 1987, Minnesota showed a positive trade balance (exports minus imports) of $196 million.
- Minnesota ranked second in per capita exports among the Midwestern states, next to Michigan. However, Michigan had a trade deficit of more than $13 million during the same period of time.
- Among its neighboring states, Minnesota leads both in terms of total value exports and per capita exports.
- Minnesota ranked 14th among the 50 states in per capita exports.

TABLE 12.4 MINNESOTA'S LEADING MANUFACTURED EXPORT INDUSTRIES, THREE - DIGIT SIC, 1984

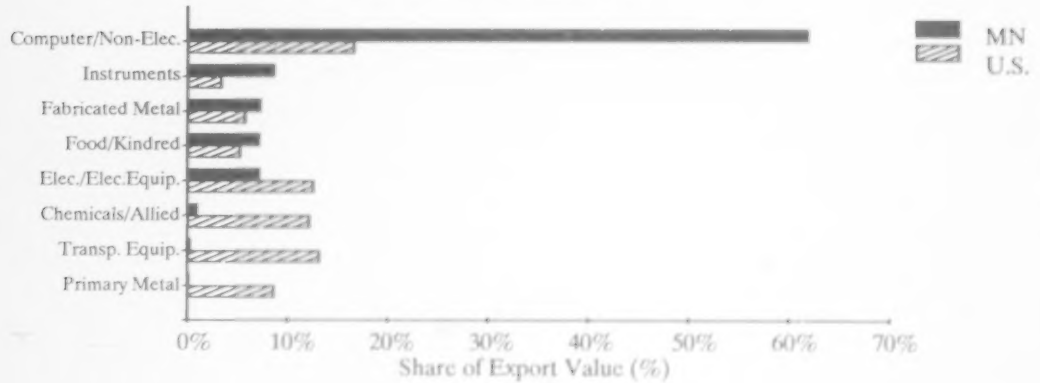


SIC	*Industry Name*	*Total Value of Shipments*	*Manufactured Direct Exports*	*Export Dependence*	*Share Of Total Manufactured Direct Exports*
TOTAL (All Manufacturing Industry)		$42,760.1	$3,144.9	7.4%	100.0%
357	Office and Computing Machinery	5,538.2	1,653.3	29.9	52.6
348	Ordnance	1,046.9	179.0	17.1	5.7
382	Measuring and Control Devices	812.1	176.5	21.7	5.6
353	Construction Machinery	533.5	110.9	20.8	3.5
367	Electronic Components	1,090.3	84.9	7.8	2.7
356	General Industrial Machines	671.7	78.8	11.7	2.5
207	Fats and Oils	981.6	74.1	7.5	2.4
201	Meat Products	2,478.1	53.0	2.1	1.7
362	Electrical Indust. Apparatus	515.8	50.5	9.8	1.6
323	Products of Purchased Glass	89.6	45.0	50.2	1.4
204	Grain Mill Products	977.7	38.3	3.9	1.2
384	Medical Instruments and Supplies	319.1	36.5	11.4	1.2
307	Miscellaneous Plastics	1,163.3	35.9	3.1	1.1
358	Refrigeration and Service Machines	716.2	34.4	4.8	1.1
366	Communication Equipment	608.1	30.6	5.0	1.0

Source: Bureau of the Census, Annual Survey of Manufacturers, unpublished data 1987, 1988 Economic Report to the Governor, state of Minnesota.
(Note: Direct exports include the value of manufactured products exported by the producing plants. Export dependence indicates how each sector relies on the export market.)

- The top four leading industries (on a 3-digit level) with high volume of direct exports are: office and computing machinery, ordnance, measuring and control devices and construction machinery.
- Seventeen to 30 percent of the output of these leading industries are dependent on the export market.
- The products of purchased glass industry has the highest dependence on the export market. About one-half of the total value of shipments of this industry was derived from direct exports.
- In 1984, 52.6 percent of Minnesota's manufactured direct exports came from the computers and office machinery industry, compared with about 10 percent for the nation as a whole.

TABLE 12.5 EXPORT RELATED VALUE OF MANUFACTURERS' SHIPMENT BY TWO - DIGIT MANUFACTURING SIC CODE, 1984



		Minnesota				*United States*	
SIC	*Description*	*Total Value of Manufactured Shipment (millions)*	*Direct Export Value of Shipment (millions)*	*Direct Export as a Percent of Total Value of Shipment*	*Share of Total Direct Exports*	*Total Export Value of Shipment (billions)*	*Share of Total Exports*
	TOTAL	$42,760.1	$3,144.9	7.4%	100.0%	$268.3	100.0%
20	Food and Kindred	9,581.2	228.6	2.4	7.3	14.5	5.4
22	Textiles	157.8	3.2	2.0	0.1	4.1	1.5
24	Lumber and Wood Products	1,377.8	16.4	1.2	0.5	4.5	1.7
25	Furniture and Fixtures	283.5	2.2	0.8	0.1	0.8	0.3
26	Paper and Allied Products	1,664.7	9.5	0.6	0.3	10.1	3.8
27	Printing and Publishing	2,431.4	16.6	0.7	0.5	4.3	1.6
28	Chemicals and Allied	1,141.9	32.8	2.9	1.0	32.9	12.3
30	Rubber and Plastics	1,291.8	39.6	3.1	1.3	8.1	3.0
31	Leather and Other Products	160.9	15.7	9.8	0.5	0.6	0.2
32	Stone, Clay and Glass	1,861.1	46.1	2.5	1.5	3.9	1.5
33	Primary Metal	593.2	6.6	1.1	0.2	23.3	8.7
34	Fabricated Metal	2,969.1	233.2	7.9	7.4	15.8	5.9
35	Computers and Non-elec.	8,862.7	1,952.2	22.0	62.1	45.2	16.8
36	Electric and Elec. Equipment	3,077.9	230.4	7.5	7.3	34.2	12.7
37	Transportation Equipment	2,284.1	8.9	0.4	0.3	35.8	13.3
38	Instruments	1,624.4	278.0	17.1	8.8	9.1	3.4
39	Miscellaneous	291.3	13.7	4.7	0.4	2.0	0.7

Source: U.S. Department of Commerce, Bureau of the Census, Bureau of Economic Analysis, unpublished data. U.S. Department of Commerce, Bureau of the Census, Origin of Exports of Manufactured Products, 1984 Annual Survey of Manufacturers, August 1987.
(Note: Direct exports include only the value of manufactured products exported by the producing plants.)

- Minnesota industries had more than $3.1 billion in sales of direct export related manufactures in 1984.
- The largest manufacturing export industry in Minnesota is computers and non-electrical machinery, which sold more than $1.9 billion of its products as direct exports, accounting for about 62 percent of the state's total value of export-related manufactures.
- The manufacturing sector in Minnesota shipped approximately 7.4 percent of its total output to foreign markets.
- In the computers and non-electrical machinery industry, roughly 22 percent of the total output was exported.
- In terms of export revenue generation, the state of Minnesota is highly dependent on the non-electrical machinery industry, specifically computers.

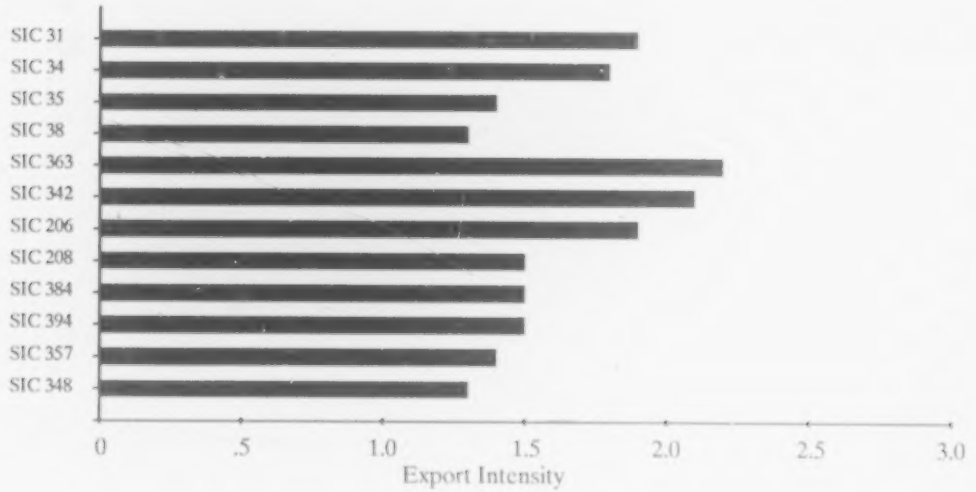
TABLE 12.6 EXPORT RELATED MANUFACTURING EMPLOYMENT BY TWO-DIGIT SIC CODE, 1984

		Minnesota				*United States*	
SIC	*Description*	*Total Manufacturing Employment (thousands)*	*Direct-Export Related Employment (thousands)*	*Direct Export as a Percent of Total Manufacturing Employment*	*Share of Total Direct Export-Related Employment*	*Total Export-Related Employment (thousands)*	*Share of Total Direct Export-Related Employment*
	TOTAL	372.5	22.6	6.1%	100.0%	2,178.5	100.0%
20	Food and Kindred	39.8	0.7	1.8	3.1	52.8	2.4
22	Textiles	2.7	(Z)	-	-	48.1	2.2
24	Lumber and Wood Products	13.0	0.1	0.8	0.4	42.3	1.9
25	Furniture and Fixtures	4.3	(Z)	-	-	11.6	0.5
26	Paper and Allied Products	12.1	(Z)	-	-	59.3	2.7
27	Printing and Publishing	36.0	0.1	0.3	0.4	51.4	2.4
28	Chemicals and Allied	6.9	0.2	2.9	0.9	127.8	5.9
30	Rubber and Plastics	15.5	0.5	3.2	2.2	81.4	3.7
31	Leather and Other Products	1.5	0.1	6.7	0.4	5.9	0.3
32	Stone, Clay and Glass	10.7	0.1	0.9	0.4	39.2	1.8
33	Primary Metal	6.6	(Z)	-	-	154.1	7.1
34	Fabricated Metal	33.4	2.2	6.6	9.7	174.2	8.0
35	Computers and Non-elec.	73.7	12.5	17.0	55.3	408.0	18.7
36	Electric and Elec. Equipment	34.5	2.3	6.7	10.2	381.1	17.5
37	Transportation Equipment	7.4	(Z)	-	-	218.0	10.0
38	Instruments	18.9	2.9	15.3	12.8	98.1	4.5
39	Miscellaneous	4.2	0.1	2.4	0.4	23.0	1.1

Source: U.S. Department of Commerce, Bureau of the Census, Bureau of Economic Analysis, unpublished data. U.S. Department of Commerce, Bureau of the Census, Origin of Exports of Manufactured Products, 1984 Annual Survey of Manufacturers, August 1987.

- About 22,600 Minnesota jobs were sustained by manufactured direct exports in 1984.
- The computers and non-electrical machinery industry had the largest employment in direct export related manufactures. It accounted for about 55 percent of the state export related manufacturing employment compared to the nation's share of only 19 percent.
- About 6 percent of Minnesota manufacturing jobs were sustained by direct exports, roughly one out of every 16 manufacturing jobs.
- Other industries with strong direct export related manufactures are instruments, electric and electrical equipment, fabricated metals, food and kindred products, and chemicals and allied industries.

TABLE 12.7 TWO- AND THREE-DIGIT MANUFACTURING INDUSTRIES WITH HIGH STATE EXPORT INTENSITY, 1984

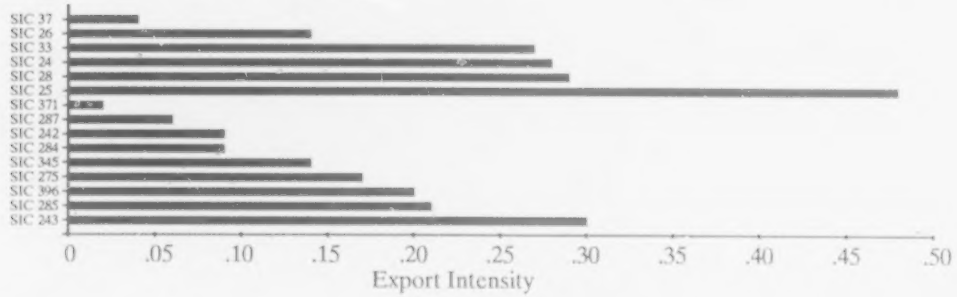


SIC	*Description*	*Export Intensity*
Two-Digit:		
31	Leather and Leather Products	1.9
34	Fabricated Metals	1.8
35	Computers and Non-electrical Machinery	1.4
38	Instruments and Related Products	1.3
Three-Digit:		
363	Household Appliances	2.2
342	Cutlery, Hand Tools and Hardware	2.1
206	Sugar and Confectionery Products	1.9
208	Beverages	1.5
384	Medical Instruments and Supplies	1.5
394	Toys and Sporting Goods	1.5
357	Office and Computing Machine	1.4
348	Ordnance and Accessories	1.3

Source: Minnesota Department of Trade &andEconomic Development, Is Minnesota's Export Portfolio a Good Mix? January 1988 Report.
(Note: Export intensity refers to the state's share of industry output that is exported compared to the national share of industry output that is exported.)

- Twelve industries in the state of Minnesota as defined by two- and three-digit SIC codes were found to have a higher than average export intensity.
- The leather and leather products, fabricated metals and computers and non-electrical machinery industries were all very export intensive and represented a significant share of the state's manufacturing export revenues.
- Household appliances (SIC 363) and cutlery, hand tools and hardware (SIC 342) manufacturers in the state exported twice the proportion of their output as their national counterparts.
- According to a study conducted by the Minnesota Department of Trade and Economic Development, these industries with the exception of the fabricated metals industry, all experienced faster structural employment growth and smaller employment decline than the nation in 1985 and 1986.

TABLE 12.8 TWO- AND THREE-DIGIT MANUFACTURING INDUSTRIES WITH LOW STATE EXPORT INTENSITY, 1984

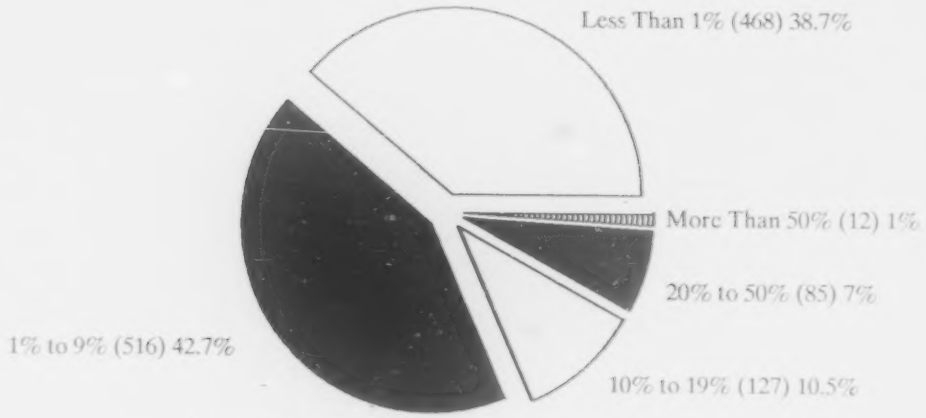


SIC	*Description*	*Export Intensity*
Two-Digit:		
37	Transportation Equipment	0.04
26	Paper and Allied Products	0.14
33	Primary Metal Industries	0.27
24	Lumber and Wood Products	0.28
28	Chemical and Allied Products	0.29
25	Furniture and Fixtures	0.48
Three-Digit:		
371	Motor Equipment	0.02
287	Agricultural Chemicals	0.06
242	Sawmills and Planing Mills	0.09
284	Soaps, Cleaners and Toilet Goods	0.09
345	Screw Machine Products, Bolts, Etc.	0.14
275	Commercial Printing	0.17
396	Costume Jewelry	0.20
285	Paints and Allied Products	0.21
243	Millwork, Plywood and Structural Members	0.30
327	Concrete, Gypsum and Plaster Products	0.31
271	Newspapers	0.31
341	Metal Cans and Shipping Containers	0.33
354	Metal Working Machinery	0.35
364	Electric Lighting and Wiring	0.38
264	Miscellaneous Converted Paper Products	0.41
265	Paper Board Containers and Boxes	0.47

Source: Minnesota Department of Trade and Economic Development, Is Minnesota's Export Portfolio a Good Mix? January 1988 Report.

- At the two-digit level, six industries in Minnesota showed relatively low export intensities in 1984.
- The six two-digit industries exported less than half the percentage of industry output exported nationally. The transportation equipment industry (SIC 37) showed the lowest export intensity in the state.
- Going down further to the three-digit level, many more industries in Minnesota exported relatively small proportions of their total output compared to their national counterparts.
- The same study conducted by the Minnesota Department of Trade and Economic Development indicated that these industries possessing relatively low export intensities in Minnesota also had shown significantly slower structural employment growth and larger employment decline than the nation between 1980 and 1985.

TABLE 12.9 NUMBER OF EXPORTING ESTABLISHMENTS AND EXPORT TO SHIPMENT RATIO, 1984



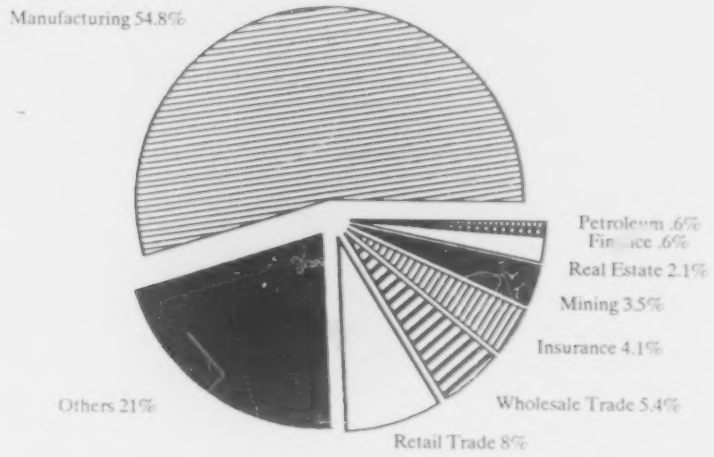
Number of Exporting Establishments = 1,208

(2 Digit) Employment Size	*Total*	EXPORT TO SHIPMENT RATIO OF: *Less than 1%*	*1%-9%*	*10%-19%*	*20%-49%*	*More than 50%*
TOTAL	1,208 (100.0%)	468 (38.7%)	516 (42.7%)	127 (10.5%)	85 (7.0%)	12 (1.0%)
1 to 249	827 (68.5)	361 (77.1)	350 (67.8)	55 (43.3)	56 (65.9)	5 (41.7)
250 to 499	85 (7.0)	23 (4.9)	45 (8.7)	12 (9.4)	3 (3.5)	2 (16.7)
500 to 999	41 (3.4)	12 (2.6)	21 (4.1)	6 (4.7)	1 (1.2)	1 (8.3)
1,000 or more	255 (21.1)	72 (15.4)	100 (19.4)	54 (42.5)	25 (29.4)	4 (33.3)

Source: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987
(Note: Figures in parentheses are percentages.)

- In 1984, there were 1,208 manufacturing establishments in Minnesota that were engaged in exports activity.
- More than two-thirds of these exporting firms (827), or 68.5 percent, were companies employing less than 250 workers, while 255 establishments (some 21.1 percent), had a labor force of more than 1,000 workers. The comparable national figures are 63.7 percent and 26.7 percent, respectively.
- Of the total 1,208 Minnesota exporters, 468 (or 38.7 percent) sold less than 1 percent of their output abroad, while 516 (or 42.7 percent) had exports totaling 1 to 9 percent of their output. Only 224 Minnesota firms (or 18.6 percent) exported 10 percent or more. Nationally, the comparable figures were 34.5 percent, 45.1 percent and 20.4 percent, respectively.
- Minnesota ranked 15th among all 50 states in the number of state manufacturing establishments that exported.

TABLE 12.10 FOREIGN DIRECT INVESTMENT – EMPLOYMENT OF AFFILIATES BY INDUSTRY AND COUNTRY, 1985



Total Employment = 35,450 jobs

Country/Industry	*Minnesota*	*U.S. (thousands)*	*Percent Change 1982-85 Minnesota*	*Percent Change 1983-85 U.S.*
TOTAL EMPLOYMENT	35,450	2,854	17.1%	12.1%
COUNTRY:				
Canada	11,838	528	20.2	11.6
Europe	21,410	1,806	14.8	8.9
Japan	1,240	209	41.7	27.4
Latin America	141	123	18.5	28.1
Other	743	188	11.2	17.5
INDUSTRY:				
Mining	1,228	29	25.7	0.0
Petroleum	196	125	-12.5	3.3
Manufacturing	19,440	1,439	11.4	8.9
Wholesale Trade	1,897	296	-16.3	10.0
Retail Trade	2,840	480	15.0	14.3
Finance	203	46	34.4	24.3
Insurance	1,456	69	94.4	1.5
Real Estate	746	32	16.9	18.5
Others	7,444	337	39.2	32.2

Sources: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987. Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies, 1985 estimates. U.S. Department of Commerce, Bureau of Economic Analysis.

- In 1985, foreign direct investments (U.S. affiliates of foreign corporations) in Minnesota created roughly 35,450 jobs for the state.
- Among the countries making the investments in Minnesota, direct foreign investments made by Europeans provided the largest employment, about 60 percent.
- The manufacturing sector took the lead in generating employment as a result of foreign investments in Minnesota.
- Of the total employment generated from foreign direct investments, more than half (or 55 percent) were employed in the manufacturing sector.

TABLE 12.11 FOREIGN DIRECT INVESTMENT – AFFILIATES OF FOREIGN INVESTORS, 1985

Country/Industry	*Minnesota*	*U.S.*	*Percent Change 1983-85 Minnesota*	*Percent Change 1983-85 U.S.*
Number of Affiliates with Property, Plant and Equipment:	362	9,336	8.4%	5.4%
Canada	68	1,302	1.5	1.3
Europe	233	4,901	7.9	4.7
Japan	32	826	18.5	7.7
Latin America	8	1,070	14.3	5.0
Other	28	1,729	27.3	11.0
Gross Book Value of Property, Plant and Equipment:	*(millions)* $4,249	*(billions)* $294	13.4	20.5
Canada	2,603	68	-3.0	9.7
Europe	1,117	173	26.8	19.3
Japan	357	18	1,778.9	63.6
Latin America	(D)	10	(D)	11.1
Other	8	35	166.7	34.6
Industry of Affiliate:				
Mining	890	10	-4.2	25.0
Petroleum	563	76	2.6	16.9
Manufacturing	1256	111	61.2	20.7
Wholesale Trade	105	17	-11.0	21.4
Retail Trade	73	11	69.8	22.2
Finance Excluding Banking	(D)	2	(D)	(D)
Insurance	(D)	2	(D)	(D)
Real Estate	743	47	-17.1	20.5
Other	562	18	40.9	28.6

Sources: U.S. Department of Commerce, State Statistical and Economic Abstract Series, Minnesota, September 1987. Foreign Direct Investment in the United States: Operations of U.S. Affiliates of Foreign Companies, 1985 estimates, U.S. Department of Commerce, Bureau of Economic Analysis. (Note: D indicates that the data in the cell have been suppressed to avoid disclosure of individual companies.)

- In 1985, there were 362 business entities in the state owned by or affiliated with foreigners, an 8.4 percent increase since 1983. The U.S., on the other hand, exhibited only a 5.4 percent increase during the same period.
- Roughly 64 percent of these firms were owned by Europeans.
- Although Europeans had owned most affiliates, the value of Canadian holdings in 1985, valued at $2.6 billion, far exceeded the holdings of all other countries. The Canadians accounted for more than 61 percent of the state's $4,249 million in foreign held assets (or gross book value of property, plant and equipment).
- The manufacturing sector claimed approximately one-third of total foreign direct investment in 1985.

Policy Analysis Division

900 American Center Building
150 East Kellogg Boulevard
St.Paul, Minnesota 55101-1421